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Letter dated 6 May 2013 from the Permanent Representative of Nigeria to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of the Federal Republic of Nigeria on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the 2013 substantive session of the Economic and Social Council (see annex).

I should be grateful if you would have the present letter and the annex thereto circulated as a document of the Council, under item 2 (b) of the provisional agenda.

(*Signed*) U. Joy **Ogwu**
Ambassador
Permanent Representative

* E/2013/100.

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Annex to the letter dated 6 May 2013 from the Permanent Representative of Nigeria to the United Nations addressed to the President of the Economic and Social Council

Office of the Senior Special Assistant to the President on Millennium Development Goals

National voluntary presentation of Nigeria on the theme "Science, technology and innovation, and the potential of culture for promoting sustainable development and achieving the Millennium Development Goals" for delivery at the annual ministerial review of the United Nations Economic and Social Council in Geneva, July 2013

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Summary

Over the past decade, the improved economic performance of Nigeria created a climate for enhanced social progress. The nation's economy grew at an annual average of 6.8 per cent between 2005 and 2011 and 6.9 per cent between 2012 and 2014, with the agriculture and petroleum sectors being the key contributors. Analysts have projected that the country will be the twelfth-fastest-growing economy in the world by 2014. Already, the current rate of growth has been impacting positively on the implementation of the Millennium Development Goals. Substantial progress has been recorded since 2008 on a number of targets, and the country is on track on many others. Some of the targeted areas have started to improve quite rapidly, e.g., under-5 and maternal mortality rates. Despite the high economic growth in the past decade, however, poverty and inequality remain major concerns.

Some policy and institutional innovations introduced by government have facilitated progress. For instance, the implementation of the Debt Relief Gains and the Conditional Grants Scheme has led to the construction and rehabilitation of over 2,844 primary health-care facilities; the training of 9,756 health workers (as of 2010); the recruitment of over 74,000 primary school teachers; the provision of 2.4 million long-lasting insecticide-treated nets; the construction of 10,437 boreholes and 3,709 ventilated improved pit toilets; investment in vocational and technical training, including the training of 7,673 people to enhance their vocational skills and 14,420 workers in agricultural extension; and the construction of 307 rural electrification schemes. Between 2007 and 2009, about 33.3 million people benefited from direct primary health interventions. This was in addition to the people who benefited from conditional cash transfers, the child savings scheme in Bayelsa state, the disability allowance in Jigawa and the old-age pension scheme in Ekiti and Osun states. Nigeria is also maximizing existing institutions and frameworks to strengthen coordination.

Science and technology are also facilitating socioeconomic transformation. This includes the use of solar and renewable energy, providing amenities to alleviate poverty, and innovations in telecommunications, which are providing a ripple effect in terms of job creation and income generation and addressing logistical and access bottlenecks in the area of maternal health. Other initiatives include improved technology to facilitate learning in schools, provide skills acquisition, enhance productivity and reduce gas-flaring; improved seedlings to produce better harvests and climate- and pest-resistant crops; and new technology to provide small dams, irrigation and silos to enhance all-season farming, improve post-harvest management and boost employment. Within a decade, access to telephone services rose from about 0.6 per cent of the population to about 60.0 per cent, thus making Nigeria the largest telecom market in Africa and among the 10 fastest-growing telecom markets in the world. However, without a culture that values education and research, as well as advancement in science and technology, it is difficult to maximize their impact.

The Government of Nigeria has also transformed the cultural and creative industry, and this has started to yield dividends. For instance, the Nigerian video-feature-film industry, known as "Nollywood", grew between the 1990s and the 2000s to become the largest African film industry and the second-largest in the world in terms of the number of annual film productions. The country has a $500 million movie industry which serves the export market well.

Some national challenges, however, make it difficult to accelerate progress on the Millennium Development Goals and other internationally agreed goals. The insurgency of Boko Haram has not only paralysed economic activities in a few northern states; it has led to the death of close to 3,000 people and the destruction of properties worth hundreds of billions of naira. The recurring floods in many states of the federation is also a serious challenge. In 2012, 35 of the 36 states were ravaged by floods, affecting 3,870 communities and 4,199 schools and causing serious health problems in Kogi and Niger states. Addressing this threat is a key challenge that government must face.

I. Overview

1. The Millennium Development Goals are the globally agreed time-bound targets that the world aims to achieve to eliminate poverty and human suffering, by promoting the right to decent lives and nutrition; enhancing the dignity of women and children; providing access to basic education and health services as well as to improved safe drinking water, shelter and sanitation; and promoting environmental sustainability. Since Nigeria signed the Millennium Declaration in 2000, it has invested a lot of time and human and financial resources in the implementation of the Millennium Development Goals. These include the setting-up of the Presidential Committee on Millennium Development Goals, the establishment and continuous implementation of the Debt Relief Gains funds, the mainstreaming of the Millennium Development Goals into Vision 20: 2020 and the Transformational Agenda, and the preparation of a Millennium Development Goal acceleration priority action plan for maternal health.

2. The improved economic performance over the decade created a climate for enhanced social progress. The nation's economy grew at an annual average of 6.8 per cent between 2005 and 2011, with the agriculture and petroleum sectors being the key contributors. Recent estimates put the growth rate at 7.0 per cent in 2012, 7.2 per cent in 2013 and 6.6 per cent in 2014. Analysts have projected that the country will be the twelfth-fastest-growing economy in the world by 2014.[1] This is evidenced by the fact that its per capita income (purchasing power parity) in 2011 was estimated at about $2,500. The improved macroeconomic environment, favourable weather and stability in the Delta region have been quite supportive of growth. Macroeconomic performance and a series of policy and institutional innovations, including applications in the area of science and technology, have yielded social dividends.

3. Although the country may not achieve all the Millennium Development Goal targets by 2015, substantial progress has been recorded on a number of targets since 2008, and the country is on track on many others. Some of the targeted areas have started to improve quite rapidly, e.g., under-5 and maternal mortality rates. Nigeria is one of the 12 countries in Africa that have achieved the target relating to the proportion of undernourished population. This figure fell from 19.3 per cent in 1990 to 8.5 per cent in 2011, against the 9.7 per cent target for 2015. This positive trend has, however, been reversed, owing to the global food and financial crises since 2008. Concrete efforts are needed to reverse the downward slide.

4. In 2012, Nigeria achieved gender parity in primary and secondary school enrolment. The ratio of girls to boys in primary school enrolment rose from 76:100 in 1990 to 100:100 in 2012, with the ratio in secondary school enrolment rising from 75:100 to 102:100 during the same period.[2] The country also continues to reverse the trend with respect to HIV and AIDS. HIV prevalence among pregnant young women aged 15-24 years, which rose consistently from 1.8 per cent in 1990 to 5.8 per cent in 2001, declined to 5.0 per cent in 2003 and further to 4.1 per cent in 2010. However, challenges remain in some states, where prevalence rates have remained high. Progress has also been recorded in the fight against malaria.

[1] See the Central Intelligence Agency *World Factbook*, June 2012.

[2] See results of the recent National Bureau of Statistics survey on the Millennium Development Goals, issued in February 2013.

5. Appreciable progress has also been made in the primary school completion rate, as well as in the infant, under-5 and maternal mortality rates. The primary school completion rate improved from 76 per cent in 1990 to 96.4 per cent in 2012, although it experienced some instability over time. The infant mortality rate fell from 100 per 1,000 live births in 2000 to 61 in 2012, while the under-5 mortality rate declined from 201 per 1,000 live births to 94 during the same period. Furthermore, maternal mortality fell from 1,000 deaths per 100,000 live births in 1990 to 350 in 2012, just 100 above the 2015 target. More vigorous implementation of the Debt Relief Gains and the Conditional Grant Scheme and innovations in some states, such as the "Abiye" project in Ondo state, made this possible.

6. The performance on most targets of Millennium Development Goal 8 is also encouraging. For instance, debt service as a percentage of exports of goods and services fell from 22.3 per cent in 1990 to 9.0 per cent in 2000 and 0.5 per cent in 2008. The number of mobile phone subscriptions per 100 people also increased, from 0 per cent in 1990 to 41.7 per cent in 2008. A similar trend has been observed with regard to Internet users per 100 people.

7. However, the pace of progress on such targets as access to improved water supply and sanitation has been very slow. In spite of high economic growth over the past decade, poverty and inequality remain a major concern. While sub-Saharan Africa succeeded in reducing both the rate and the number of people living in poverty, both indices kept growing in Nigeria. Indeed, the poverty rate in the country (national poverty line) rose from 42.7 per cent in 1992 to a worrisome 69 per cent in 2010. The income inequality index, which has been established as an important determinant of poverty, also worsened, rising from 0.429 in 2004 to 0.447 in 2010. Essentially, high income inequality, inequitable access to social and economic opportunities, and weak infrastructure such as roads, electricity and water, in addition to food price volatility, frequent flooding, etc., are major impediments to progress. Inadequate and irregular generation of Millennium Development Goals statistics also makes monitoring progress quite challenging.

II. Innovations driving progress on the Millennium Development Goals in Nigeria

A. The Debt Relief Gains

8. In 2004, Nigeria faced an unsustainable debt profile, with a debt stock of $36 billion. The country spent more on interest payments than it committed to health care and education. This made achieving the Millennium Development Goals difficult. The debt relief provided in October 2005 allowed Nigeria to obtain the sum of $18 billion, representing an overall cancellation of about 60 per cent of its debt to the Paris Club of about $30 billion.[3] This led to the establishment in 2006 of a Virtual Poverty Fund, a mechanism for enhanced funding, tracking and monitoring of budget lines in key sectors aimed at meeting the Millennium Development Goals. Through the Debt Relief Gains, the Government has been able to deepen the implementation of compulsory free universal basic education, establish conditional

[3] Paris Club creditors were paid an amount of $12.4 billion, representing the regularization of arrears of $6.3 billion, plus a balance of $6.1 billion to complete the exit strategy.

cash transfers to support the vulnerable, and introduce and continuously deepen the Conditional Grants Scheme to support Millennium Development Goal investment at the state and local government levels.

9. Based on the proportion of debt owed by the federal and state governments in 2004, the sharing arrangement of the Debt Relief Gains is a ratio of 70:30, respectively. In addition to the traditional annual budgets, the Fund aims at dedicating about $1 billion to Millennium Development Goal interventions. Figure I shows the trend of allocation between 2006 and 2012. The figures rose consistently between 2006 and 2010 but declined in 2011, owing to political issues surrounding the illness and eventual demise of President Umaru Yar'Adua and the general elections in 2011. This, however, normalized in 2012. Among the various sectors, health had the largest share (about 17 per cent), followed by education (12 per cent), land, housing and urban development (7 per cent), water resources (6 per cent) and agriculture (4 per cent) (see figure II).

10. The implementation of the Debt Relief Gains has been fostering the expansion of socioeconomic facilities in the country. In addition to helping the various ministries, departments and agencies of government to deliver on their mandates, the Debt Relief Gains have contributed substantially to institutional and human development. In particular, they have helped to expand the activities of such institutions as the National Poverty Eradication Programme, the Small and Medium Scale Enterprise Development Agency, the Universal Basic Education Commission, the Education Tax Trust Fund and the Nigerian Educational Research and Development Council.

Figure I

Trends of the Debt Relief Gains and the Conditional Grants Scheme, 2006-2012

(United States dollars)

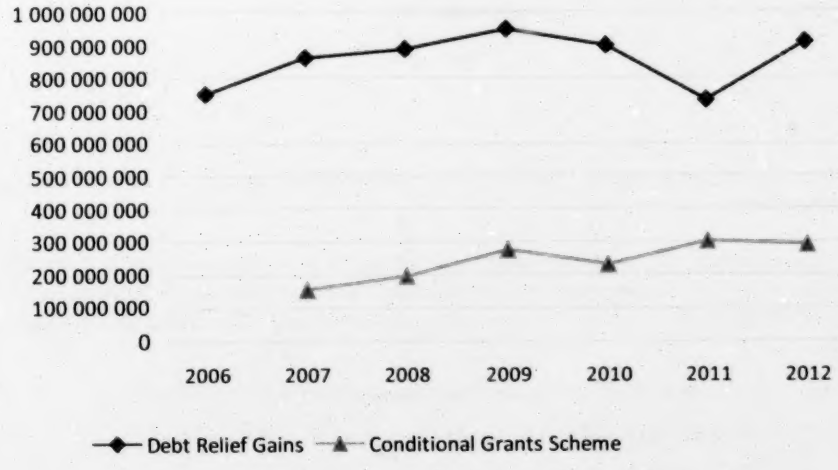
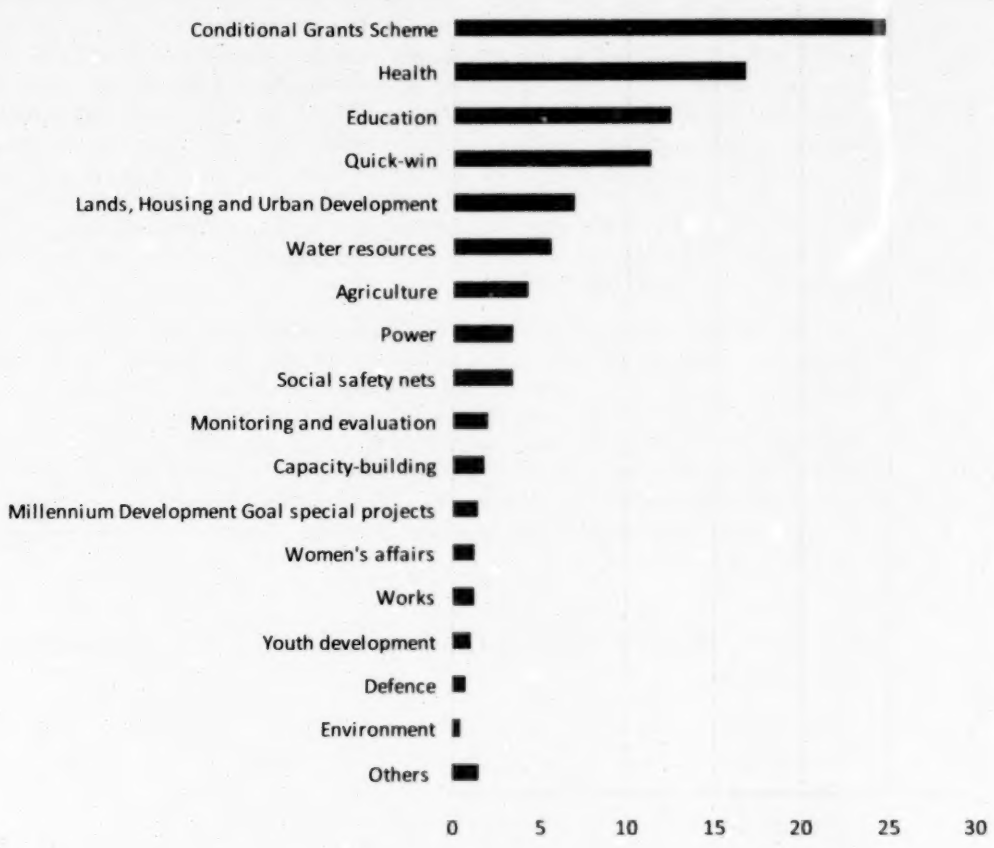


Figure II
Percentage share of the Debt Relief Gains across sectors and programmes, 2006-2012



Source: Economic Policy Analysis Centre (2013a): Technical study on Nigeria's national voluntary presentation, March 2013.

11. For example, the implementation of the quick-win interventions in military formations and barracks through the Ministry of Defence (with just 0.78 per cent of the total Debt Relief Gains allocation) is quite revealing. The interventions have led to:

(a) The construction of 30 classrooms and administrative blocks;

(b) The rehabilitation of 53 classrooms and administrative blocks;

(c) The rehabilitation of 19 medical reserve services;

(d) The provision of 17 strategic medical supplies;

(e) The procurement of 24 high-voltage electricity-generating sets;

(f) The provision of 24 sets of furniture/equipment;

(g) The drilling of 19 boreholes and the construction of reticulation and reservoirs.

B. The Conditional Grants Scheme

12. Introduced in 2007, the Conditional Grants Scheme is an innovative strategy for fostering intergovernmental collaboration to accelerate the achievement of the Millennium Development Goals. It seeks to improve governance, service delivery, financial management, transparency and accountability at the state and local government levels for the attainment of the Goals.

13. The criteria for participating in the Conditional Grants Scheme include: (a) 50 per cent counterpart funding and a bank guarantee bond; (b) acceptance of the scaling-down of the maximum amount accessible from 3.0 billion to 1.0 billion naira; (c) evidence of institutional structure and human capacity to manage the Scheme transparently; (d) evidence of articulation of the focus of the Scheme in existing strategies, policies or programmes of the state government; (e) a commitment or promissory note duly signed by the state Governor; (f) evidence of consultation and collaboration between different tiers of government and stakeholders in project selection and location; and (g) the designation of a state focal person for the Scheme.

14. Overall, the Conditional Grants Scheme has been a resounding success. Evidence from the monitoring reports, for instance, shows that projects funded through the Scheme between 2007 and 2009 have been successfully executed.[4] The number of states covered rose from 18 in 2007 to 36 in 2012, including the Federal Capital Territory. Expectedly, too, disbursement rose from 20.00 billion naira in 2007 to 32.60 billion in 2009, 45.59 billion in 2011 and 45.45 billion in 2012. Figure I shows the trend in terms of United States dollars. By December 2012, total investment in the Scheme had reached 203.07 billion naira (approximately $1.47 billion).[5]

15. The Conditional Grants Scheme investment has focused essentially on primary health care, education, water and sanitation, and it has targeted human and institutional development. Between 2007 and 2009, for instance, such achievement included:

(a) The construction and rehabilitation of over 2,844 primary health-care facilities;

(b) The training of 9,756 health workers by 2010;

(c) The recruitment of over 74,000 primary-school teachers;

(d) The provision of 2.4 million long-lasting insecticide-treated nets;

(e) The construction of 10,437 boreholes (comprising 3,524 small town boreholes with solar-powered pumps, 6,031 boreholes with hand pumps, 489 motorized boreholes and 393 small town water supply schemes);

(f) The installation of 3,709 ventilated improved pit toilets;

[4] Office of the Senior Special Assistant to the President on Millennium Development Goals, 2009.
[5] See Economic Policy Analysis Centre (2013 a and b).

(g) Investments in vocational and technical training, including the training of 7,673 people in vocational skills, and 14,420 extension workers/farmers;

(h) The construction of 307 rural electrification schemes.

16. The total number of beneficiaries constitutes about 26 per cent of the population. About 28.4 million are benefiting from the investment in the primary health-care centres, while the distribution of insecticide-treated bednets is protecting 4.9 million people from malaria. This translates to about 33.3 million people benefiting from direct primary health interventions. Interventions in the area of water and sanitation also benefit about 8.85 million people. There are at least 213,437 beneficiaries of skills acquisition and economic enhancement interventions, such as vocational skills acquisition, the training of extension workers and rural electrification schemes.

17. The wide coverage of the Debt Relief Gains has contributed significantly to the 53.2 per cent reduction in the under-5 mortality rate and the 56.3 per cent reduction in the maternal mortality rate between 1990 and 2012; it also accounts for the 520 per cent increase in the number of children sleeping under insecticide-treated nets.

18. The stakeholders' monthly meetings have increased the capacity to manage Conditional Grants Scheme projects and to share knowledge between States and the Office of the Senior Special Assistant to the President on Millennium Development Goals. It has also fostered genuine consultations among the federal, state and local governments, communities and civil society. The use of experts in the management and monitoring of Conditional Grants Scheme projects and the focus on results-based management have increased the rigour of Scheme working practices. The political commitment at the state level is also an important factor in the progress achieved.

19. While the rising trend in the number of beneficiaries over the years is appreciated, there is still room for substantial improvement in terms of coverage, usage and access by the target groups. Experience has shown that placing emphasis on the voices of beneficiaries in project identification and management is critical. It should also be stated that the Conditional Grants Scheme does not provide funding for recurrent expenditure, despite the fact that many of the projects carried out under the programme require budgeting for, inter alia, allowances for workers, maintenance, medical consumables and other operational costs. It is assumed that the subnational governments, as partners, will provide this critical component of funding. The success of the Conditional Grants Scheme is therefore threatened by inadequate provision for the sustainability of the interventions implemented under it.

C. Conditional cash transfer programme

20. The National Poverty Eradication Programme coordinates the implementation of the conditional cash transfer scheme, which was launched in 2007 and is linked to education and health services. The programme is christened "In Care of the People" (COPE) and is already running as a pilot programme in 12 states. It aims at breaking the intergenerational transfer of poverty and reducing the vulnerability of the core poor. The beneficiary households receive a monthly Basic Income Guarantee for one year and then a lump sum Poverty Reduction Accelerator

Investment. The Basic Income Guarantee depends on the number of children in the household, while entrepreneurship and life-skills training are provided to beneficiaries of the Poverty Reduction Accelerator Investment. Payments are based on households' meeting two key conditions: the enrolment and retention of children of basic school age in basic education (primary 1 to junior secondary education), where a child must maintain at least 80 per cent school attendance and participate in all free health-care programmes.

21. The Debt Relief Gains allocation to three safety nets was 10 billion naira ($78 million) in 2007 and 2 billion naira ($13.2 million) in 2009.[6] In its phase 1, the programme cost 1.0 billion naira ($7.8 million), with 2.4 million naira ($18,720) allocated to each of the 12 states and the Federal Capital Territory. In its phase 3 (currently under way), states are required to contribute a counterpart fund to match the contribution from the federal Government. For instance, each state allocates 30 million naira ($234,000) to the Basic Income Guarantee, 42 million naira ($327,600) to the Poverty Reduction Accelerator Investment and 2.4 million naira ($18,720) to non-governmental organization paymasters.

22. The focus is state-specific. For example, conditional cash transfer programmes in Cross River and Niger states are focused on education and health, while those in Kano, Bauchi and Katsina states concentrate on girl-child education. In Kano, two benefit levels are being tested, depending on the age of the children benefiting from the programme: 5,000 naira (approximately $32) and 2,500 naira (approximately $16), contingent on 80 per cent school attendance per child. The programme is covering 12,000 beneficiaries.

23. The conditional cash transfer programme, which started with 3,790 households in 2009, reached 22,000 households in 2010 and was expanded to cover 113 local governments in 2011 to make the impact more broad-based. This intervention has started to yield appreciable results, especially in facilitating access to education, health and improved services. However, the implementation of conditional cash transfer programmes in Nigeria at both the federal and state levels is faced with a plethora of bottlenecks, including weak identification and registration of beneficiaries, an inadequate management information system, weak technical expertise in programme design and implementation, and weak monitoring and evaluation.

24. There are also other small-scale cash transfer programmes, such as the child savings scheme in Bayelsa state, the disability allowance in Jigawa and the old-age pension scheme in Ekiti and Osun states. In Jigawa, a social security allowance consisting of a monthly payment of 7,000 naira (approximately $46) to physically disabled persons (as provided under the State Accountability and Voice Initiative) was initiated, covering 5,000 families. The senior citizen social security scheme in Ekiti state, the first in West Africa, which began in October 2011, transfers $33 monthly to residents aged 65 and over who do not have a pension and whose monthly income is less than $19 a month, but who have lived in the state for the past three years. As at May 2012, 20,000 elderly people were benefiting from the scheme. The Osun state government also pays 10,000 naira ($66) to 1,602 elderly people identified as most vulnerable in the state. This also includes payment for medical treatment for these selected senior citizens.

[6] See Economic Policy Analysis Centre (2013a): Technical report on Nigeria's national voluntary presentation on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals.

D. Other policy and institutional innovations

Promoting better coordination within and across tiers of government

25. Policy coordination is always an issue in a federal setting. The implementation of most of the Millennium Development Goals is the primary mandate of the state and local governments. For instance, primary health care, including neonatal and maternal health issues, primary education and sanitation are among the residual functions of subnational governments as prescribed by the 1999 Constitution. Despite this constitutional arrangement, political leadership is strongest at the federal level, followed by some state governments, while it is relatively weak in some other states and extremely weak at the local level, where the real actions are supposed to be taking place. Given the federal nature of government and the constitutional mandates of each tier, policy coordination across federal, state and local governments could be quite challenging, owing to the varying levels of commitment on the part of leaders.

26. In spite of this challenge, the use of existing institutions and frameworks is being maximized to achieve stronger coordination. First, the buy-in of states and local governments on Vision 20: 2020 is a very good opportunity. Second, the Presidential Committee on the Millennium Development Goals, with all actors on board, also creates an incentive for improved coordination. Third, the implementation of the Conditional Grants Scheme and the conditional cash transfer programme by the Millennium Development Goals Office also contributes to the process. Fourth, the use of the Joint Planning Board and the National Economic Council also provides impetus for stronger coordination. In addition, there is the challenge of horizontal coordination, which often leads to duplication of functions and unhealthy competition among ministries, departments and agencies. The formation of the National Economic Management Team has addressed this substantially at the federal level, but there is still room for improvement. It is important to replicate this at the state and local levels to ensure policy coherence on the Millennium Development Goals and the sustainable development agenda.

27. The governments (federal and state) have initiated several policy and institutional innovations to accelerate progress on the Millennium Development Goals since 2000.[7] These include:

(a) Ensuring effective integration of the Millennium Development Goals into overall national and subnational development visions, strategies and plans;

(b) Establishing an Excess Crude Oil Account (now replaced by the Sovereign Wealth Fund) and promulgating the Fiscal Responsibility Legislation to ensure transparency in the use of public resources;

(c) Realizing the challenge of addressing absorptive capacity in the public sector, the Government introduced the service compact (SERVICOM), established a procurement cadre in the federal public service, undertook a needs assessment and introduced capacity-building for all levels of government in 2008;

(d) Improving the experience-sharing, learning and accountability environment, including the SEEDS benchmarking exercise and the State Peer Review Mechanism by Nigeria's Governors' Forum.[8]

[7] See "Countdown Strategy – 2010-2015: Achieving the MDGs".

28. There are other sectoral or goal-specific innovations that are also contributing to progress:

(a) The establishment of the National Poverty Eradication Programme and the strengthening of such institutions as the National Directorate of Employment and the Industrial Training Fund are critical. However, their efficiency remains a concern. The establishment of universal basic education (to implement free primary and secondary education) and the Education Tax Trust Fund, and the deepening of non-formal education such as nomadic and riverine education, have also enhanced progress on Goal 2;

(b) Most progress on gender is associated with the implementation of the national gender policy and the political will of leaders at the federal and state government levels — e.g., the presidential target of 35 per cent of women in the Federal Executive Council;

(c) In the health sector, the formulation and implementation of the National Strategic Health Development Plan, free maternal care in some states, the setting-up of the National Agency for the Control of HIV and AIDS and its state and local government counterparts, the implementation of the "Abiye" maternal health project in Ondo state (see box 1), the implementation of Roll Back Malaria and the distribution of insecticide-treated nets are notable success factors;

(d) The establishment of the flood early warning system and the development of tools to forecast the occurrence of flood five days in advance in about 600 communities, the Community-based Urban Development Programme and the national water supply and sanitation policy, and the setting-aside of monthly environmental days in some states are instrumental to progress on Goal 7;

(e) Debt relief, the setting-up of the Debt Management Office, stronger collaboration with development partners and the liberalization of the communications sector have contributed to progress on Goal 8.

III. Harnessing the potential of science and technology for socioeconomic transformation

29. Science and technology, if effectively harnessed, are important drivers of economic growth, job creation and poverty reduction. Science and technology help to facilitate all-season farming and higher crop yields in the face of climate change, and accelerate climate change adaptation. They also advance scientific knowledge, and their application could facilitate the achievement of the Millennium Development Goals, especially in improving access to quality social services.

30. Nigeria had its first national science and technology policy in 1986; the current policy commenced in 2012. The policy aims to, among other things, popularize and inculcate the culture of science and technology; strengthen national capacity and capability to stimulate inventions and generate innovations for sustainable development; prioritize research and development; and develop capacity for technological transfer.

[8] For further information, see "State Peer Review Mechanism — Base Document", Nigeria Governors' Forum, 2011.

31. The institutional framework for planning and managing science and technology in Nigeria includes the Federal Ministry of Science and Technology, the National Council on Science and Technology, the National Assembly committees on science and technology, state ministries and houses of assembly, research institutes and academia, and the National Centre for Technology Management. While these institutions are doing their best under the leadership of the Federal Ministry of Science and Technology, there is a need for the coherence and alignment of roles and responsibilities for better results.

32. The implementation of the national biotechnology policy, the national information technology policy and the policy on space science and technology is bearing fruit. The progress made in information and communications technology and space technology, food preservation technology, and science and engineering infrastructure are good examples.

33. The establishment of the National Biotechnology Development Agency in November 2001 has contributed to the nation's response to food security, sustainable environment, affordable health-care delivery and wealth creation. This takes the form of:

(a) Establishing tissue culture laboratories and aquaculture, snailery, mushroom and grass-cutter units, which have led to the development of improved varieties of crops and animals;

(b) Domesticating bioreactors and developing bioprocesses for the commercial production of various agro-based products;

(c) Embarking on the local production of diagnostic kits for HIV and AIDS, malaria, hepatitis B and C, syphilis, tuberculosis and pregnancy;

(d) Developing environmental biotechnology, including the bioremediation of the polluted environment, combating desert encroachment, and genetic research conservation and utilization;

(e) Developing the molecular genetic characterization of avian influenza virus and a genetic barcode for a database of various plants and animals in Nigeria;

(f) Developing human and infrastructural capacity in biotechnology, in partnership with selected universities.

34. The establishment of information and communications technology has led to the following:

(a) The popularization and propagation of the use of the Internet;

(b) The introduction of the Computer for All Nigerians Initiative;

(c) The creation of the Nigerian e-government strategies.

35. Through the implementation of the policy on space science technology, the following have been achieved:

(a) The launch of NigeriaSat-1 (Earth observation satellite) in 2003 and of NIGCOMSAT-1 (communications satellite) in 2007;

(b) The development of remote sensing and a Geographic Information System model for desertification;

(c) The mapping and monitoring of the impact of gully erosion;

(d) The domestication of space science technologies;

(e) Mineral resources mapping, exploration and exploitation.

36. Through the National Atomic Energy Commission, a curriculum was developed for the introduction of degree programmes in nuclear science and engineering in the relevant knowledge centres, in addition to road maps for nuclear power generation of between 1,000 and 4,000 MW over a period of 12 years. The Raw Materials Research and Development Council is promoting the development of new and advanced knowledge-intensive materials from petrochemicals, minerals and agro resources.

37. Through the National Agency for Science and Engineering Infrastructure, the following has been achieved: (a) use of an advanced manufacturing technology technique to replicate the oilseed expeller process and the integrated cassava flour-processing plant; and (b) the establishment of a manufacturing facility in Abuja for the production of solar panels under a public-private partnership arrangement. These innovations are having an overarching impact on the implementation of the Millennium Development Goals as well as on social and economic transformation.

38. Evidence from stakeholders' consultations and feedback resulting from questionnaires administered during the forum reveal the following roles of science, technology and innovation in facilitating socioeconomic transformation:

(a) Solar and renewable energy, which provides amenities to alleviate poverty;

(b) Innovations in telecommunications, which provide a ripple effect in terms of job creation and income generation, and address logistical and access bottlenecks in the area of maternal health;

(c) Improved technology, which facilitates learning in schools, provides for skills acquisition, enhances productivity and reduces gas-flaring;

(d) Several farm-related benefits, which include improved seedlings, better harvests and climate- and pest-resistant crops;

(e) Mechanized agriculture, which makes farming attractive to youth and raises farm productivity;

(f) New technology that allows for small dams, irrigation, silos, etc., thereby enhancing all-season farming, improving post-harvest management and boosting employment.

39. While it may be challenging to address the role of the various segments of science, technology and innovation in socioeconomic transformation in Nigeria, the present report uses information and communications technology as a case study. The deregulation of the telecommunications sector has been transforming social and economic activities in Nigeria. Prior to the advent of the Global System for Mobile Communications (GSM) in 2001, fewer than 0.45 million lines were serving about 120 million people.[9] Then, telephone was a luxury only for the rich. As at the first quarter of 2011, the subscriber base had risen to 90 million. Within a decade, access

[9] Telephone lines expanded from 18,724 in 1960 to 450,000 installed capacity in 2001, when GSM was introduced. In 40 years (1960-2001) it grew by 2,303.3 per cent, as opposed to 5,614.3 per cent in just 10 years. See "The revolution that means freedom", *IT and Telecom Digest*, 2011.

rose from about 0.6 per cent of the population to about 60.0 per cent.[10] By 2008, Nigeria had become the largest telecommunications market in Africa, and it is among the 10 fastest-growing telecom markets in the world. The transformative role of GSM in Nigeria's development process is captured in the following excerpt from the introduction to an article by Chima Akwaja and Samson Akintaro, "GSM @ 10: the gains, the pains ... and what lies ahead", appearing in *IT and Telecom Digest* in 2011:

> Just like yesterday; yet, it's already 10 years since GSM service providers began operations in Nigeria. An effort to free Nigerians from the communications barrier has led to technological, human capital and social-economic benefits, bringing voice, data and Internet communications to the citizens — who have never had a chance of savouring such freedom before.

40. Box 1 illustrates how pregnant women's access to mobile phones has transformed pregnancy from a death sentence to a life-upholding experience. It increased service utilization by over 700 per cent in one year. Box 2 shows how the Office of the Senior Special Assistant to the President on Millennium Development Goals is using technology to deliver on its mandates, especially in tracking the Conditional Grants Scheme at the state and local levels.

Box 1

Mobile phones have transformed pregnancy from a death sentence to a life-giving experience under the "Abiye" project in Ondo state

The "Abiye" (safe motherhood) programme is an innovation to address maternal health challenges in Ondo state. The 2008 National Demographic and Health Survey rated Ondo as one of the most burdened states with regard to maternal mortality in Nigeria — the worst in the south-western zone. Having access to maternal health services was an issue, especially in rural areas. A baseline survey conducted in 2009 showed that only 16 per cent of pregnant women registered with government facilities eventually gave birth at them. To address this challenge, the Abiye programme, aimed at reducing child and maternal mortality by 50 per cent and increasing facility utilization by 60 per cent in 2011, was initiated.

At the point of registration at the Abiye Centre, each pregnant woman is assigned a physician, a specially trained community health worker called a "health ranger", to monitor her. Twenty-five pregnant women are assigned to one health ranger, who calls and visits them regularly. The health rangers detect high-risk pregnancies, carry out birth plans, implement measures to ensure readiness for complications, carry out education on related areas of need, and administer first-aid kits. The pregnant woman also receives a mobile phone linked to a toll-free user group to ease communication with the physician. Ambulances (motorcycles and tricycles) are always on standby.

The programme achieved its target in one year. Prior to the commencement of the programme in the last quarter of 2009, fewer than

[10] This was in the absence of dual ownership, which did not exist in Nigeria owing to poor-quality services which required people to have multiple lines.

100 pregnant women were registered for antenatal units in public clinics. By the end of 2009, the total number had risen to 346. By 2010, it had increased to 2,791, representing an increase of 706.65 per cent. It stood at 2,376 in 2011 and 2,427 in 2012, with no casualties recorded. Postnatal cares also rose appreciably. Owing to the success of the programme, it was replicated by all local governments in January 2013.

Success factors include willingness on the part of community leaders to mobilize people, on the part of non-governmental organizations to provide health materials and help with sensitization, and on the part of community health volunteers to help to reduce the capacity gap. Challenges abound, including ensuring that health rangers have the capacity to cope with the rising number of registrations and with resistance on the part of traditional birth attendants, and that government has the capacity to cope with the day-to-day running of the programme. Addressing these challenges is vital to sustaining its progress.

Source: Rapid assessment survey of the "Abiye" project implemented by the Ifedore local government, Ondo state, Economic Policy Analysis Centre, March 2013.

41. The boom in the telecommunications market has attracted substantial investment to the country. Private sector investment rose from about $50 million in 1999 to over $18 billion in 2009. This included more than 300 billion naira (about $2.17 billion) in revenue to the federal Government through frequency spectrum sales. The annual revenue from mobile services is also very high — about 4 per cent of Nigeria's nominal gross domestic product (GDP). For instance, the four GSM operators in the country — MTN, Globacom, Airtel and Etisalat — remit over 264 billion naira ($1.9 billion) to government annually through company income tax, annual operating levy, education tax and government agency tax. There has been phenomenal growth in the telecom market's share of GDP, which rose from 0.06 per cent in 1999 to 3.66 per cent in 2009.[11]

Box 2

The Office of the Senior Special Assistant to the President on Millennium Development Goals is applying technology to manage baseline date and track progress on the Conditional Grants Scheme

The Office of the Senior Special Assistant to the President on Millennium Development Goals is applying technology in discharging its mandates, especially in the deployment of the Conditional Grants Scheme and the conditional cash transfer programme. To be able to do this effectively, the Office created the Nigerian Millennium Development Goals Information System. In order to make the support provided under the Scheme context-specific, the Office conducted a baseline facility inventory and a needs assessment in all 774 local government areas. Android phones were used to collect and collate data on existing infrastructure at this subnational level, with pictures of health centres, primary schools and water schemes, inter alia, taken and stored in a

[11] See "GSM @ 10: the gains, the pains ... and what lies ahead", *IT and Telecom Digest*, 2011.

database. The data were eventually cleaned up and analysed and are now resident in the Nigerian Millennium Development Goals Information System, which helps to target Conditional Grants Scheme investment in the states and local government areas. The database provides a basis for the effective monitoring of progress at the subnational level in a more scientific way.

The Office is also adopting the use of e-payment and e-registration in the scaling up of the conditional cash transfer scheme to 56,000 households in 24 states of the Federation. The Office is in partnership with Ecobank, which has provided 56,000 Android phones to these households to help in the process of e-disbursement and the e-registration of these families. The deployment of science and technology has enhanced transparency, accountability and efficiency in the management of the Debt Relief Gains, allowing funds to reach intended beneficiaries.

The Nigerian Millennium Development Goals Information System tracks information on efforts related to the nation's Conditional Grants Scheme. One of the greatest strengths of the System platform is the ability to spatially map facility information. The System is helping to identify service delivery performance gaps; effectively site project interventions to maximize impact and avoid duplication; provide up-to-date information on the facilities; provide a baseline for monitoring and evaluating progress under the various initiatives; and avail local governments of relevant information on grant applications under the Scheme.

42. The growth of this market has led to substantial job creation, improved business performance and timely information exchange. In particular, the wide availability of digital mobile service has led to improvements in efficiency and productivity, reduced transaction costs, increased service innovation and a better quality of life. It has facilitated business by drastically reducing the time, energy and resources spent by businesspeople on transactions. In addition, the use of GSM has spurred complementary growth in information and communications technology. For instance, the various GSM service providers also provide Internet services,[12] thereby increasing the Internet penetration rate.

43. In addition to over 15,000 direct jobs created by the GSM companies across the 36 states and the Federal Capital Territory, millions of GSM-related jobs have been created, mostly for youth. More than 71.0 per cent of the people engaged in retail GSM services are those who were never employed before.[13] The empirical findings of Kafilah Lola Gold, Muibi Olufemi Saibu and Hammed Agboola Yusuf (2012) summarize the impact of this sector on the Nigerian economy as follows:

> Firstly, it has impacted on the transaction cost by reducing the cost of transportation and information gathering on their daily business. Secondly, it has also increased their market access and reduced distribution cost which

[12] As of 2011, 44 million Nigerians are now accessing the Internet, mostly through their mobile phones.

[13] See Fasoranti, M. M., "The influence of the deregulated telecommunication sector on urban employment generation in Nigeria", *Research Journal of Social Sciences*, 5:1-6, 2010.

invariably affected the service provider cost. Lastly it leads to reduction in poverty level and incidence through increase in income generating capacity and business expansion of households.[14]

44. In spite of this, the issues of poor quality of service, high call rates and poor customer relations still haunt the achievements recorded so far. Although the history of science, technology and innovation is long in Nigeria, the country still has a lot to learn. Some of the challenges of the science, technology and innovation system in Nigeria include an inadequate number of scientists and researchers; limited international cooperation between Nigerian academics/institutions and international academics/institutions; poor research funding; poor infrastructure to support science and technology; and limited integration of science and technology into national development strategies. Limited linkage between research and development and the manufacturing sector, weak political will and inadequate funding are other bottlenecks.[15] There is also limited coherence and coordination among relevant institutions involved in the planning, management and implementation of science, technology and innovation.

45. Without a culture that values education and research, advancement in science and technology will be difficult. To effectively leverage the explosion in new knowledge of science, technology and innovation in the context of limited capacity, it is important to put in place a policy framework that supports the adoption of appropriate policies, strategies and activities to facilitate human resources development, especially through an education system that promotes sound science education at all levels; to increase demand for knowledge in the private sector;[16] to raise public support for science and technology;[17] and to accelerating access to information and communications technologies. While deepening science, technology and innovation infrastructure is critical, having appropriate technological applications and engineering that can help drive sectors such as manufacturing, health, agriculture and natural resource management is also pivotal.

46. The implementation of science, technology and innovation is not yet strong. To achieve synergy, a system that is strong in linkages and collaboration between industry and university research and among educational and research institutions, policy and regulatory agencies, financial institutions and industry is needed. The present report also supports the establishment of a National Research and Innovation Fund with a capital base of not less than 1.0 per cent of GDP.

[14] "Mobile telecom (GSM): its impacts on household income generating capacity and business expansion in selected states in Southwest Nigeria", Las Vegas International Academic Conference, 2012.

[15] National Centre for Technology Management, 2010.

[16] This includes promoting competitive markets that allow for the emergence of innovative firms that demand knowledge; encouraging financial infrastructure that supports innovative firms; protection of indigenous knowledge, subsidizing firm-based training to encourage technology deepening, and providing tax incentives for firms engaged in research and development.

[17] This includes competitive, merit-based allocation of funding to basic research priorities and evaluation and accountability mechanisms for research output and effectiveness.

IV. Maximizing the benefits of culture and the creative sector as well as minimizing threats to development

47. Culture is the enabler, the progenitor and the conditioner of all human endeavours. It is a productive force and an effective instrument for social change and development. It promotes social inclusion and the ownership of development processes. In June 1999, to maximize the nation's immense and rich cultural heritage, the Federal Ministry of Culture and Tourism was carved out of the Federal Ministry of Information and Culture and the Federal Ministry of Commerce and Tourism. To use culture as a source of growth and transformation, the Ministry built 12 cultural industries centres in the six geopolitical zones, namely, Sokoto, Taraba, Enugu, Edo, Benue and Ondo states, and the Federal Capital Territory. The centres provide physical infrastructure to enable cultural activities to thrive and serve as one-stop shops for cultural goods and services.

48. The Nigerian video feature film industry, known as "Nollywood", grew between the 1990s and 2000s to become the largest African film industry and the second-largest in the world in terms of the number of annual film productions, placing it ahead of the United States and behind the Indian film industry.[18] The country has a $500 million movie industry, creating some 200 videos for the home video market every month. The products of Nollywood have become a major source of export to various parts of the world. The major export destinations of the output include West Africa (50 per cent), the rest of Africa (18.8 per cent), Europe (12.5 per cent) and others (18.7 per cent).

49. A major challenge today is how to empower Nigerian artists and creators and strengthen their capacity for better productivity and improved quality of products and services. A large part of creative revenues originates from copyrights, licensing, and marketing and distribution practices, with a meagre part reaching the creators of the films. Accelerating the development of the creative economy requires strengthening the regulatory and promotional agencies to promote the industry, facilitating healthy competition, upgrading quality, ensuring appropriate controls and standardization, and monitoring and enforcing standards. Encouraging the development of a window of special funding is also vital.

50. In spite of the progress made in the creative economy, there are some pockets of cultural practices that are impinging on the achievement of the Millennium Development Goals and other types of development progress in the country. Critical among these are the following:

(a) The fact that some inheritance structures still discriminate against women, especially with respect to landed properties;

(b) The negative aspects of widowhood;

(c) The prevalence of early marriage for girls in some parts of the country;

(d) The preference for the education of boys at the expense of girls;

[18] See "Nigeria surpasses Hollywood as world's second largest film producer", United Nations News Centre, 2013, available at http://www.un.org/apps/news/story.asp?NewsID=30707#.UW5zn2dvAfg.

(e) The negative perception of Western education, especially in some northern states;

(f) The practice whereby boys go into business at an early age, thereby forfeiting their educational opportunities, especially in some parts of the south-east;

(g) The fact that gender-based violence is still an issue, especially female genital mutilation and violence against women and children.

To address this, the Government should create a well-targeted awareness campaign about these negative cultural practices while emphasizing cultural attitudes that support social inclusion, resilience and development.

V. Mainstreaming sustainable development into national development strategies

51. Sustainable development is about ensuring socially responsible and environmentally responsive economic development in the context of protecting the national resource base (including ecological assets) for the benefit of future generations. This strategic framework was adequately captured in the 1999 Constitution in subsection 2, Articles 1, 17 and 20. In addition to ensuring an individual's equal access to economic activities, it also states: "exploitation of human or natural resources in any form whatsoever for reasons, other than the good of the community, shall be prevented" and "the State shall protect and improve the environment and safeguard the water, air and land, forest and wild life of Nigeria".[19]

52. Operationally, sustainable development was mainstreamed into national development strategies including Vision 20: 2020. In addition to two of the six goals of the National Implementation Plan for the Vision (improving social advancement and fostering accelerated, sustainable social and economic development), the three main pillars of sustainable development (economic, social and environmental dimensions) are important objectives of the Plan. The integration has improved advocacy, policy focus and implementation commitment.

53. A number of innovations have been put in place to accelerate sustainable development in the country. They include formulating an inclusive financial strategy (including a microfinance policy), improving the investment climate through a one-stop shop arrangement, revamping the 23 industrial development centres,[20] establishing the National Small and Medium-Sized Enterprises Credit Guarantee Scheme to facilitate easier access for small and medium-sized enterprises to credit, and promoting industry-wide standards through social corporate responsibility among banks by forming the Strategic Sustainability Working Group, which aims at improving environmental and community well-being. Others include forming several employment programmes, including those managed by the Small and Medium Enterprises Development Agency, such as the Youth Enterprise With Innovation in Nigeria Programme (YouWiN),[21] focusing on training, providing finance and mentoring for youth; promoting a "One Local Government One Product"

[19] See Article 17 (subsection 2) and Article 20 (subsection 2) for the first and second quotations, respectively.

[20] This is expected to generate about 69,000 jobs in a year.

[21] This is targeted at 3,600 young people over a three-year period.

programme, which is expected to generate about 332,400 jobs in 10 years; and promoting the Women Entrepreneurship Development Programme, which provides capacity-building, counselling, mentoring, coaching and other business support services for 3,700 women.

54. All of this has yielded benefits. The economy grew at an annual average of 6.8 per cent between 2005 and 2011, and the prospects are bright for 2013 and 2014: growth of about 6.9 per cent, according to projections [22] The country also succeeded in reducing gas-flaring from 26 billion cubic metres (BCM) per year in 2003 to 15 BCM in 2009. Of Nigeria's total population, which stood at 167 million in 2011, 45 per cent is under 15 years of age, while 4 per cent is 65 or older — an indication of a high dependency ratio. While several other countries have succeeded in reducing poverty, this remains a serious challenge in Nigeria. The poverty rate rose from 42.7 per cent in 1992 to 69.0 per cent in 2010. Unemployment remains very high, standing at 24 per cent in 2011.

55. Specific policies and action plans to address environmental challenges have been put in place. They include: (a) the national policy on drought and desertification; (b) the drought preparedness plan; (c) the national policy on erosion, flood control and coastal zone management; (d) the national environmental sanitation policy and action plan; (e) the national policy guidelines on solid waste management, market and abattoir sanitation, excreta and sewage management, sanitary inspection premises and pests and vector control; (f) the national forest policy; (g) the national biodiversity strategy and action plan; (h) the national health-care waste management policy/action plan and guidelines; and (i) the State of the Environment Report of 2008. In spite of the country's environmental endowment, Nigeria still faces the challenge of substantially addressing biodiversity; the coastal and marine environment; deforestation; drought and desertification; flooding and erosion; human displacement; land resource use; pollution; water resources; and waste.

VI. The emerging national challenges

56. A number of national challenges are making it difficult to accelerate progress on the Millennium Development Goals and other internationally agreed goals. The present report focuses on two: the security challenge and recurrent flooding.

Addressing the security threats to national transformation and development

57. Security is a state of being free from danger, fear, threat, anxiety and uncertainty. It is a public good. This is duly recognized by the 1999 Constitution of Nigeria (Section 14 (2) (b)), which states that "the security and welfare of the people shall be the primary purpose of government". Insecurity, the presence of fear and the absence of economic or physical protection for persons, buildings, organizations or the country against destruction or threats such as crime or attacks are having serious implications not only for the implementation of the Millennium Development Goals, but also for overall development. Evidence abounds on the role that conflict and insecurity have played in constraining progress in terms of the Millennium Development Goals and overall development progress in Africa.[23] Until

[22] See the Central Intelligence Agency *World Factbook*, June 2012.

[23] See, for instance, Economic Policy Analysis Centre (2013a) for detailed references.

recently, armed robbery, communal clashes (especially in Plateau and Benue states) and turbulence from the Niger Delta militancy as well as ethnic militants such as those associated with the Egbesu Boys, the Odua People's Congress, the Movement for the Actualization of the Sovereign State of Biafra, religious clashes and post-election violence were considered to be the main security concerns in Nigeria. Recently, kidnapping (especially in the south-east and south-south) has also become another source of insecurity. This crime has become a commercial trend in recent times. In fact, it has caused the country to be designated as the global capital of kidnap-for-ransom[24] by the African Insurance Organization, as indicated at its 18th African Reinsurance Forum, held in Mauritius in October 2012.

58. Since 2009, however, the insurgency of Boko Haram[25] has become the most challenging security issue. Boko Haram has introduced a new dimension into the country's security situation: frequent bomb explosions and attacks on innocent citizens by gunmen. More than 2,800 lives were lost to terror-related violence between 2009 and 2012, with 815 people killed in 275 suspected attacks by the Boko Haram group between January and September 2012. This represents more than the total number of deaths recorded in 2010 and 2011 combined. Over 60 police stations have been attacked in at least 10 northern states, including the attack on the police headquarters in Abuja. The United Nations offices in Abuja were also bombed.

59. The results of the National Crime Victimization and Safety Survey[26] indicate that the percentage of people fearful of becoming victims of crime, which declined from 86 per cent in 2010 to 72 per cent in 2011, increased to 75 per cent owing to the rising wave of bomb and gun attacks by the Islamic sect in 2012. Taraba and other states most affected by the sect had the worst performance. The actual crime rate follows the same pattern.

60. Insecurity in Nigeria has been linked to the prevalence of poverty, inequality and high unemployment in the midst of opulence. The Boko Haram insurgency is also being perceived as a political weapon.[27]

61. The wave of insecurity is having serious economic and social impacts on the country. For weeks, social and economic activities were paralysed in such states as Borno, Bauchi, Yobe, Gombe and Kano. Students did not go to school, and public and private sector workers could not go to their offices. In some situations, schools were attacked (e.g. in Borno state) and, occasionally, health workers, including the killing of nine female polio vaccination workers in Kano in February 2013. This has started to take a serious toll on education performance. For instance, the impressive progress achieved in primary school net enrolment between 1990 and 2006, from

[24] This is due to the huge record of kidnapping cases reported in the country yearly, accounting for a quarter of globally reported cases. For further information, see Chiedu, A., "Economic implications of insecurity in Nigeria", 2013, available at http://www.spyghana.com/economic-implications-of-insecurity-in-nigeria/.

[25] This sect, which rejects Western education and Western culture, has international links with other terrorist groups such as Al-Qaida in the Islamic Maghreb and the Arabian Peninsula and Al-Shabaab in Somalia.

[26] Conducted by the CLEEN Foundation (2012): "Summary of findings of 2012 National Crime and Safety Survey", Lagos, 2012.

[27] See Katsina, Aliyu Mukhtar, "Nigeria's security challenges and the crisis of development: towards a new framework for analysis", *International Journal of Developing Societies*, Vol. 1, No. 3, 2012; and Nwagboso, C. I., "Security challenges and economy of the Nigerian State (2007-2011)", *American International Journal of Contemporary Research*, Vol. 2, No. 6, June 2012.

58.0 per cent to 91.1 per cent, nosedived to about 70.0 per cent in 2008, a period when the insurgency of Boko Haram was becoming intense. In the 2008 education survey, more than 15.0 per cent of parents mentioned safety considerations as the reason why their children had stopped attending school.

62. The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, has linked the collapse of more than 800 companies in Nigeria between 2009 and 2011 to insecurity and the harsh operating business environment in the country. The National Employers' Consultative Assembly stated that 73.3 per cent of businesses had partially closed operations in northern Nigeria. The spate of kidnappings in the commercial cities of Port Harcourt, Aba and Onitsha obviously forced investors, businessmen and manufacturing companies to relocate to other, peaceful cities in Nigeria. For instance, companies such as NBL, Seven-Up PLC, Unilever PLC and PZ PLC relocated from Aba to Enugu owing largely to constant kidnappings of their expatriate staff.[28]

63. The negative impact goes beyond low education performance to poor health outcomes, low women's empowerment and increased poverty, owing particularly to a loss of access to land, property, jobs, assets and therefore means of livelihood. The states most affected by the Boko Haram insurgency are among those with the highest incidence of poverty. This increases people's vulnerability to shocks and a high likelihood of slippage into poverty and heightened inequality.

64. Moving forward, the support and strong collaboration of the state governments in providing logistical and financial support to the joint task forces across the country have been quite helpful. The progress made by the Lagos state government in stamping out "area boys" through the rehabilitation of erstwhile hoodlums has reduced armed robbery substantially. Other states need to learn from this. The amnesty provided to the Niger Delta militants has brought unprecedented calm in the Niger Delta region, which has contributed appreciably to crude oil production in the past three years. It is also important to note that improved intelligence-gathering and better coordination and collaboration among the security agencies are important.

65. The federal Government is also creating platforms for effective government-civil society collaborations to address the root and proximate causes of insecurity in Nigeria. A programme on arms control with a view to managing the proliferation of arms and the production of locally made arms in Nigeria is under way.

66. The public is not yet fully satisfied with the handling of terrorism in the country.[29] Some of the policy options suggested to government include improved dialogue with the sect, strengthening the capacity of security personnel and the combined use of force and dialogue. In recent weeks, however, as mandated by the National Economic Council, four Governors of the most affected states (Bauchi, Yobe, Borno and Gombe) have initiated dialogue with the leadership of the sect. The federal Government has set up a committee to advise it on the desirability or otherwise of amnesty for the Islamist sect. Ensuring improved development

[28] See "Security challenges and economy of the Nigerian State (2007-2011)", *American International Journal of Contemporary Research*, Vol. 2, No. 6, June 2012.

[29] The CLEEN Foundation's national crime and safety survey conducted in 2012 reveals that 54 per cent of the respondents interviewed were not satisfied, while 31 per cent felt satisfied with the performance security agencies in the fight against terrorism in the country.

outcomes and results and the intensification of programmes that fully engage youth and promote livelihoods are also critical.

Tackling the threats posed by natural disasters (floods) to the implementation of the Millennium Development Goals in Nigeria

67. Natural disasters often cause enormous damage, leaving large proportions of the population at risk of losing their livelihoods, their homes and, many times, their lives. Population groups that are typically most at risk include smallholder farmers, the rural landless poor, fishers and the urban poor. Natural disasters, especially floods and droughts, are a major source of vulnerability for the poor. Given the nation's poor infrastructure and weak response capacity, when such disasters as floods happen, the impact is always very serious.[30]

68. Over the past three decades, many parts of the country have been prone to flooding, with many states experiencing serious flooding that often claims properties, livelihoods and lives. States including Anambra, Bayelsa, Niger and Oyo have been experiencing recurrent flooding. However, in 2012 Nigeria witnessed an unprecedented flood that ravaged 35 out of the 37 states of the federation. It affected 3,870 communities in 256 local government areas. The flood wreaked havoc on no fewer than 14 states in terms of its intensity and impact. In these 14 states, 395,631 households in 116 out of the 291 local government areas were severely affected; this translates to about 2.769 million people.[31] About 20.0 per cent of the population in Bayelsa was affected, followed by Delta, Jigawa and Kebbi states, with close to 10.0 per cent, while about 5.0 per cent of the population was affected in Niger, Kogi and Anambra states (see figure III). Kogi and Adamawa states had the highest numbers of traditional houses that were totally destroyed: 124,085 and 117,829, respectively.

69. About one of every three people affected by the flood had serious health problems in such states as Kogi (29.4 per cent) and Niger (28.5 per cent). Most of them suffered from malaria, cough and diarrhoea. Because hospitals and/or health personnel were affected, when flood victims went to hospitals they complained about unavailable or unaffordable medicines as well as overcrowding and inadequate health workers. Owing to the aforementioned challenges in public hospitals, affected people resorted to traditional sources of health services. For instance, in Adamawa and Taraba states the use of traditional sources rose from 30 per cent before the flood to 40 per cent after.

70. The impact of the flood disaster on education is even worse, especially in terms of damaged school infrastructure. In 11 states alone,[32] 4,199 schools were affected, comprising 3,205 primary schools and 994 secondary schools. Of the primary schools, 2,478 (77.3 per cent) were partially damaged and 22.7 per cent were totally destroyed, while 79.8 per cent of the secondary schools were partially damaged and 20 per cent totally destroyed. Anambra accounted for 40.7 per cent of the affected primary schools (of which 42.3 per cent were partially damaged and 35.2 per cent totally destroyed).

71. Income and livelihood also had their share of damage. There were reductions in agriculture, forestry and fishing as main sources of livelihood in Kogi and Niger

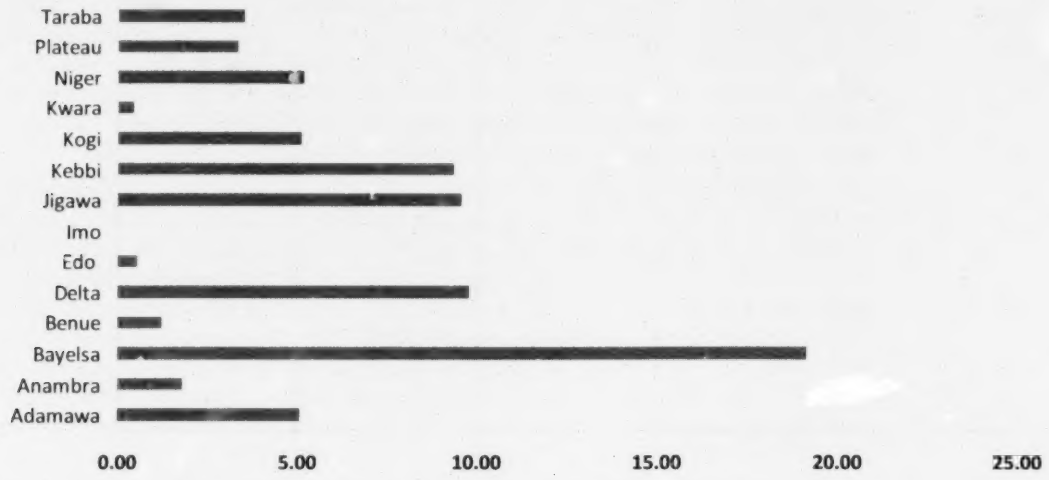
[30] See Economic Policy Analysis Centre (2013a) and Figure III.

[31] See the Nigeria 2012 flood post-disaster needs assessment.

[32] Adamawa, Anambra, Bayelsa, Delta, Edo, Jigawa, Kebbi, Kogi, Nasarawa, Rivers and Taraba.

states after the flood. The coping strategy is recourse to other sources of livelihood, such as mining and small trading (Zamfara) and part-time teaching (cases in Adamawa and Taraba).

Figure III
Percentage of population affected by the 2012 flood, by state



Source: Author's calculation using Nigeria 2012 flood post-disaster needs assessment.

72. Managing the crisis was quite challenging, but the outcome is rewarding. There was strong collaboration among governments (federal and state), the private sector, non-governmental organizations and international development agencies, especially in providing water, food, shelter, sanitation/toilets and support for the restoration of livelihoods, security and health care. To avoid an epidemic, clinics were established in settlements for internally displaced persons, as well as systems providing referrals to still-functional health facilities. This was complemented with strengthened disease surveillance and the suspension of user fees for internally displaced persons in government facilities.

73. A number of interventions were put in place to ameliorate the educational impact. These include:

(a) The integration of affected schools into others to accommodate their pupils;

(b) The provision by state governments of alternative buildings or rented accommodation for schooling;

(c) The formation of flood relief distribution committees in the state ministries of education.

74. Other rapid actions taken to cushion the impact of damaged houses in the affected states include:

(a) The immediate evacuation of the affected population away from the flooded areas;

(b) The relocation of the affected population in temporary shelters/ accommodation;

(c) The provision of food and non-food items and medical and other humanitarian assistance;

(d) The repair of roads to link cut-off towns/settlements.

75. The federal Government, in collaboration with development partners, carried out the national 2012 flood post-disaster needs assessment. The Federal Ministry of Environment, with the support of development partners such as the United Nations Development Programme (UNDP), developed a flood early warning system and tools to forecast the occurrence of flood five days in advance in about 600 communities. The National Emergency Management Authority, in collaboration with UNDP and the Office for the Coordination of Humanitarian Affairs, has developed a draft action plan on disaster risk reduction, with particular focus on disaster risk reduction policies, education and innovations as well as the identification and monitoring of risks.

76. To facilitate early recovery and to prevent a recurrence of flooding, key areas on which to focus attention include:

(a) Developing early warning systems, vulnerability mapping, technological transfer and the training of communities to avoid and manage floods;

(b) Developing response plans and actions as well as associated guidelines;

(c) Promoting partnerships, improving scientific research on the causes of natural disasters, and better international cooperation to reduce the impact of climate variables;

(d) Encouraging governments to address the problems created by megacities, the location of settlements in high-risk areas and other man-made determinants of disasters;

(e) Mainstreaming disaster risk reduction into national strategic plans and planning and budgeting processes;

(f) Developing adequate infrastructure to prevent the recurrence of floods.

VII. Conclusion

77. The Federal Republic of Nigeria is committed to the realization of Millennium Development Goals and other internationally agreed development goals. Our Vision 20:2020 aims at optimizing the country's human and natural resources to achieve rapid, sustained economic growth and translating such growth into inclusive, equitable and sustainable development for its citizens. It articulates policies and strategies to achieve economic, social, environmental and institutional dimensions of development. Achieving this goal requires that the challenges identified in the present report be addressed and that a strong partnership and collaboration with national and international partners be built. Scaling up commitment to the implementation of the sustainability agenda and development transformation based on science, technology and innovation is critical. Sustained development is possible only in a peaceful and stable society.

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Item 9 of the provisional agenda**
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Assistance to the Palestinian people

Report of the Secretary-General

Summary

The present report, submitted in compliance with General Assembly resolution 67/86, contains an assessment of the assistance received by the Palestinian people, needs still unmet and proposals for responding to them. It describes efforts made by the United Nations, in cooperation with the Palestinian Authority, donors and civil society, to support the Palestinian population and institutions.

The reporting period is from May 2012 to April 2013. During this period, the Palestinian Authority continued to implement the National Development Plan for 2011-2013. The United Nations enhanced its support to those efforts through its Medium-Term Response Plan and its work with the Palestinian Authority to develop a United Nations Development Action Framework. The United Nations development programming includes capacity development, infrastructure and the provision of direct assistance and basic services. This work is focused on six strategic areas: (a) governance, human rights and rule of law; (b) education and culture; (c) livelihoods, food security and employment; (d) health care; (e) social protection; and (f) infrastructure, water and sanitation. The United Nations is engaged in over $2.9 billion of ongoing and planned development programmes in the State of Palestine, of which $1.2 billion was funded as at April 2012. This complements the humanitarian programming outlined in the 2013 Consolidated Appeals Process of $401.6 million.

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Direct negotiations between the Palestinian Authority and the Government of Israel remained elusive during the reporting period. Unemployment and food insecurity increased and restrictions to movement remained in place, hindering development efforts. Improved socioeconomic conditions can be achieved only with sustainable, inclusive economic growth and job creation which, in turn, require further easing of movement and land and sea access.

During the reporting period, the United Nations continued its efforts to respond to development and humanitarian challenges in the context of occupation, focusing particularly on areas where the Palestinian Authority was least able to extend its services, namely, Gaza, and Area C and East Jerusalem of the West Bank.

I. Introduction

1. The present report is submitted in compliance with General Assembly resolution 67/86, in which the Assembly requested the Secretary-General to submit to it, at its sixty-eighth session, through the Economic and Social Council, a report on the implementation of the resolution, containing an assessment of the assistance actually received by the Palestinian people and an assessment of the needs still unmet and specific proposals for responding effectively to them. Also included is a summary of key political developments and challenges relevant to the reporting period, as the international community continued to work to alleviate the suffering of the Palestinian people, as well as to support the State-building efforts of the Palestinian Authority and negotiations between the parties. The reporting period is from May 2012 to April 2013.

2. Information on the living and socioeconomic conditions of the Palestinian people is provided in several reports prepared by other United Nations agencies, in particular: (a) the report of the Economic and Social Commission for Western Asia on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan (to be issued); and (b) the annual report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/67/13).

3. The humanitarian, economic and development needs of the Palestinian people are reflected in several documents. The Consolidated Appeals Process for 2013, with a narrower focus than in previous years, is seeking $401.6 million to address the humanitarian needs by enhancing the protective environment and tackling food insecurity of the most vulnerable groups in the Gaza Strip, Area C, including the seam zone, and East Jerusalem. The United Nations Medium-Term Response Plan presents the United Nations strategic response to Palestinian development priorities for the period 2011-2013, in alignment with the current Palestinian National Development Plan. UNRWA programme goals for the period 2010-2015 were reflected in the Agency's medium-term strategy, which was estimated at $655 million for 2011-2012, excluding emergency relief interventions. The Palestinian National Development Plan 2011-2013 outlined priority development needs amounting to $2.468 billion.

4. Throughout the year, the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority continued its efforts to support the peace process and to ensure effective coordination among the Palestinian Authority, the United Nations, the international community and the Government of Israel. The Office also continued to document the economic and social conditions in the occupied Palestinian territory and develop policies and programmes to improve them.

II. Overview of the current situation

A. Political context

5. Direct negotiations between the parties remain elusive. Quiet exchanges continued in an effort to create a conducive environment and return to talks. Following the Israeli elections on 22 January 2013, a new coalition Government was sworn in by the Knesset on 18 March 2013. In his first foreign trip of his second term, United States President Barack Obama visited Israel, the West Bank and Jordan from 20 to 23 March 2013. Secretary of State John Kerry returned to the region at the beginning of April for separate follow-up meetings with the Israeli and Palestinian leaders, both of whom reiterated their commitment to a negotiated two-State solution. The renewed engagement by the United States of America marks an important opening towards breaking the political deadlock. It also offers an opportunity to mobilize consensus in the region and beyond, including through the Quartet, in support of reinvigorating efforts towards a two-State solution.

6. On 29 November 2012, the General Assembly, in its resolution 67/19, accorded the State of Palestine the status of non-member observer State in the United Nations. On the same day, the Secretary-General stated that the vote underlined the urgency of a resumption of meaningful negotiations to ensure that an independent, sovereign, democratic, contiguous and viable State of Palestine lives side by side with a secure State of Israel.

7. Following the adoption of the resolution, the Government of Israel announced that it would approve new plans for settlement construction of thousands of housing units in the West Bank, including East Jerusalem, and that planning would proceed in the E-1 area of the West Bank. President Abbas stated that building in E-1, an area that is key for the contiguity of the West Bank, would cross what he described as a red line. Settler violence against Palestinians and their property, under the so-called price tag policy, as well as Palestinian attacks on Israelis in the West Bank continued to be of serious concern. Settlement activity is illegal under international law and runs counter to Israel's commitments under the road map. Israel should heed the calls of the international community to stop such activity.

8. Also following the adoption of General Assembly resolution 67/19, regular transfers of clearance revenue from Israel to the Palestinian Authority were disrupted, compounding its dire financial situation while facing a decrease in foreign aid, the failure of donor countries to fulfil their financial pledges and slowing economic activity in the State of Palestine. Delays resulted in the non-payment of Palestinian Authority employees, which triggered strikes and demonstrations. In addition to social unrest, the hunger strike by Palestinian prisoners in Israeli jails and the death of two Palestinian prisoners under Israeli custody sparked a series of popular demonstrations and clashes with Israeli security forces in the West Bank, which resulted in the death of 11 Palestinian protesters between September 2012 and April 2013 and hundreds of injuries. On the occasion of Palestinian Prisoners' Day, 17 April, some 3,000 prisoners went on hunger strike for the day and demonstrations were held in main West Bank cities. The United Nations remains concerned about the conditions of the prisoners on protracted hunger strike. The Secretary-General has urged that a solution be reached without delay, including by addressing all unresolved issues included in the May 2012 agreement. Although the Palestinian Authority continued to make progress in its State-building agenda, including the

organization of local elections in the West Bank, the Ad Hoc Liaison Committee noted, at its meeting in Brussels on 19 March 2013, that such achievements might not be sustainable given the continued political impasse, the deteriorating reality on the ground, negative socioeconomic and security trends, and the dire fiscal situation of the Palestinian Authority.

9. In a related development of note, on 13 April, President Abbas accepted the resignation of Prime Minister Salam Fayyad, who is expected to continue carrying out his functions as caretaker until a new Prime Minister is announced. The United Nations recognized that Prime Minister Fayyad had had to contend with circumstances that kept constraining the success of the State-building agenda he led together with President Abbas which, in the absence of a credible political horizon, was at serious risk.

10. In Gaza and southern Israel, a dangerous escalation of violence occurred in November 2012. Eight days of fighting resulted in an estimated 158 Palestinians killed, including 103 civilians, and some 1,269 Palestinians reportedly injured, while 6 Israelis, including 4 civilians, were reported killed by Palestinian rocket fire and 224 Israelis were injured, the vast majority civilians. A bomb attack in Tel Aviv on 21 November injured 23 civilians, 3 of them severely. The Egyptian-brokered ceasefire "understanding" of 21 November allowed for one of the longest periods without projectiles being fired from Gaza in recent years and tangible easing of the closure. However, rockets fired from Gaza on 26 February, 21 March and 2 and 7 April 2013 resulted in Israel's decision to rescind the extension of the fishing limit, bringing it back to 3 nautical miles from its original 6 nautical miles, and restricted travel by Palestinians and goods into and out of Gaza. In reaction to the shooting of rockets, Israel also closed the Kerem Shalom crossing from 8 to 11 April. Since 26 February, this crossing, which is the only passage for goods from Israel into Gaza, has been closed for 29 out of 56 days. International efforts continued, notably by Egypt, to solidify the calm, prevent the smuggling of weapons into Gaza, advance the lifting of the closure, and fully implement Security Council resolution 1860 (2009).

11. The full implementation of resolution 1860 (2009) also entails overcoming the Palestinian political divide in ways that can advance the potential for a two-State solution. Egypt continued to facilitate the implementation of previous agreements, and a meeting between President Abbas and Khaled Meshaal was held on 10 January 2013 in Cairo. One of the results of that meeting was that the Palestinian Central Elections Commission was authorized to register some 240,000 new electors in Gaza, for the first time since 2007. The Chairman of the Commission has since declared that it is technically prepared to organize any election, once so decided. Hamas and Fatah have resumed informal working-level meetings but discussions on the implementation of existing agreements have advanced only a little. On 2 April, Khaled Meshaal was re-elected head of the Hamas Political Bureau. A day earlier, President Abbas reiterated his position, in accordance with the agreement signed at Doha in February 2012 that he was prepared to lead a technical interim government, which should prepare for elections 90 days into its term. The United Nations continued to support efforts to promote reconciliation under the leadership of President Abbas through Egyptian auspices and within the framework of the commitments of the Palestine Liberation Organization, the positions of the Quartet, and the Arab Peace Initiative.

12. In spite of the lack of progress on negotiations, the renewed engagement by the United States and the stated recommitments by the parties to the two-State solution allow for a glimmer of hope, provided that this renewed engagement is followed up with determination. The parties must now show the political will to cooperate, with concerted action by the international community, including through the Quartet, and with the support of key Arab, regional and other stakeholders. The Palestinians have a legitimate right to their own independent State and Israel has the right to live in peace and security with its neighbours. There is no substitute for negotiations and no viable alternative to the two-State solution, making the resumption of meaningful talks all the more urgent.

B. Humanitarian and socioeconomic context

Economic and fiscal developments

13. The Government of President Abbas and Prime Minister Fayyad continued to implement key economic and fiscal reforms. Total revenues were 6 per cent lower than budget, while total expenditures and net lending were 12 per cent higher than their forecasts in 2012. Consequently, the year-end recurrent deficit was 55 per cent above its budget.

14. Real growth in the gross domestic product (GDP) was estimated at 5.6 per cent in the West Bank and 6.6 per cent in the Gaza Strip in 2012.[1] This, however, reflected a slowdown in the economy since the real GDP was estimated at 10.7 per cent for 2011. Recent growth was driven by the services sector in the West Bank and by the construction sector in Gaza. There has not been enough growth in the productive sectors of the economy to be sustainable and absorb new entrants into the labour markets.

15. In this context, unemployment increased to 19 per cent in 2012 from 17.3 per cent in 2011 in the West Bank, and to 31 per cent in the fourth quarter of 2012, up from 28.7 per cent in 2011 in the Gaza Strip. Women and young people are particularly affected by the lack of jobs.[2] Palestine refugees are also affected, with a 2012 overall unemployment rate of 27.8 per cent compared with 19.8 per cent for the rest of the population.

16. Related to this absence of economic opportunities, poverty continues to affect large proportions of the population. A number of factors are also placing pressure on food security in the State of Palestine. The percentage of households facing food insecurity increased from 27 per cent in 2011 to 33.5 per cent in 2012 overall. Broken down by area, 57 per cent of households in Gaza and 19 per cent in the West Bank faced food insecurity in 2012[3]. In absolute terms, this translates into 1.5 million food-insecure Palestinians. The economic situation of the Palestinian Authority contributed to a deterioration in food security levels, reversing the

[1] See Palestinian Central Bureau of Statistics, "Preliminary Estimates of Quarterly National Accounts, Fourth Quarter, 2012" (March 2013), available from http://www.pcbs.gov.ps.

[2] See Palestinian Central Bureau of Statistics, "Labour Force Survey (October-December 2012) Round (Q4/2012)", available from http://www.pcbs.gov.ps.

[3] Food and Agriculture Organization of the United Nations, World Food Programme, United Nations Relief and Works Agency for Palestine Refugees in the Near East and Palestinian Central Bureau of Statistics, forthcoming "2012 Socioeconomic and Food Security Survey Report".

improvement in food security gains witnessed in 2010 and 2011. Further reductions in poverty and improved food security can be achieved only with sustainable, inclusive economic growth and job creation which, in turn, require further easing of movement and access restrictions that currently hinder private sector activity.[4]

17. Given the limited size and purchasing power of the local market, the transfer of goods and services from Gaza to the West Bank and exports to Israel and beyond are key to expanding the State of Palestine's productive base, generating employment and reducing poverty. The tradable sectors of the economy, which are the most affected by the restrictions on movement and access, have shrunk over time, affecting the sustainability of any growth.

18. Concerns about the long-term prospects of the Palestinian economy continue to include the need for recovery of the private sector, a reduction in dependency on foreign aid, diversification of the economy, access to natural resources and removal of access restrictions on people and goods.

Humanitarian developments

19. During the reporting period, 258 Palestinians were killed (244 in Gaza, including 111 militants; 14 in the West Bank; overall, 48 children and 17 women) and 5,492 were injured (1,722 in Gaza; 3,770 in the West Bank; overall, 864 children and 118 women) by Israeli security forces. The number of killed and injured represents a significant increase compared with 101 fatalities and 2,215 injuries during the previous period, mostly as a result of the conflict in Gaza in November 2012. In the West Bank, growing settler violence towards Palestinians resulted in 144 injuries (including 32 children and 15 women) and damage to property. A total of 7 Israelis (including 4 civilians) were killed and 405 were injured during the reporting period, compared with 11 Israelis killed and 91 injured during the previous reporting period.

20. As at the end of February 2013, 236 Palestinian children between the ages of 12 and 17 years (including 39 between the ages of 12 and 15 years) were in Israeli detention for alleged security violations. Moreover, the February 2013 report by the United Nations Children's Fund (UNICEF) entitled "Children in Israeli Military Detention: Observations and Recommendations" stated that the ill-treatment of children that come in contact with the military detention system appears to be widespread, systematic and institutionalized throughout the process, from the moment of arrest until the child's prosecution and eventual conviction and sentencing (see p. 1 of the report).

21. Demolitions of housing and livelihood assets continued. A total of 488 structures were demolished, displacing 714 persons, more than half of them children. A total of 3,327 persons have been affected by the demolitions of housing and livelihood assets.

[4] Office of the United Nations Special Coordinator for the Middle East Peace Process, "Palestinian State-building: an achievement at increased risk", Ad Hoc Liaison Committee Meeting, Brussels, 21 March 2012.

Movement, humanitarian access and operational space

22. Access to and movement of Palestinians between most Palestinian urban centres in the West Bank, excluding East Jerusalem, remained restricted. As at June 2012, there were approximately 542 closure obstacles inside the West Bank, 4 per cent more than in July 2011. Ongoing restrictions on Palestinian access to land, social services and economic opportunities in East Jerusalem and Area C hinder development efforts, resulting in deteriorating living conditions and increased vulnerability.

23. A number of easing measures implemented since mid-June 2012 at main checkpoints significantly reduced the time spent by some 15,000 Palestinians travelling to and from Jerusalem every day. However, more generally, access to the city by holders of West Bank identification cards continues to be restricted by the barrier, checkpoints and the permit system, whereby an entry permit issued by Israeli authorities that is often difficult to obtain is required.

24. As detailed in paragraph 10 above, in Gaza, there was a fluctuation in restrictions on land and sea access imposed by the Government of Israel following operation "Pillar of Defence" in November 2012.

25. Access and operational space for staff of humanitarian agencies remained restricted. From May 2012 to March 2013, there were 522 reported incidents of delayed or denied access of United Nations and non-governmental organization staff members at Israeli checkpoints. The majority of these incidents occurred as United Nations staff crossed the barrier on the Jerusalem periphery.

Barrier

26. Construction of the barrier continued in the north-west of the Bethlehem Governorate. The United Nations Register of Damage Caused by the Construction of the Wall in the Occupied Palestinian Territory established pursuant to General Assembly resolution ES-10/17 of 24 January 2007 continued its outreach and claim intake activities. More than 36,000 claims and over 400,000 supporting documents were collected. Claim intake activities in the Tubas, Jenin, Tulkarm, Qalqiliya and Salfit Governorates were completed and the work is well-advanced in the Ramallah Governorate. Outreach and claim intake activities in the Hebron Governorate have also been initiated.

27. Approximately 150 Palestinian communities have land isolated between the barrier and the Green Line and are obliged to use a "prior coordination" mechanism or obtain "visitor" permits from Israeli authorities to access their land. There was an increase in the number of permits issued during the last olive harvest but authorities still rejected many applications citing "security reasons" or insufficient proof of "connection to the land".

III. United Nations response

28. The United Nations system provided its support within the framework of the Palestinian National Development Plan and has been working closely with the Palestinian Authority in developing the United Nations Development Assistance Framework for the State of Palestine, a strategic planning framework that will guide United Nations development programming between 2014 and 2016 and align with

the forthcoming 2014-2016 Palestinian National Development Plan. The Framework places the Palestinian people at the centre of development programming with the aim to enhance human security, thereby setting the foundation for human development objectives in a context of occupation.

29. The humanitarian system responded effectively to the hostilities in Gaza in November 2012, during which the United Nations and its partners continued working to ensure, to the extent possible, that people were able to continue receiving food, other assistance and access to essential services. Only a few days after the ceasefire, programmes resumed and a rapid assessment of the humanitarian consequences of the hostilities was conducted, on the basis of which responsive programming was undertaken.

A. Human and social development

30. The vision of the United Nations for the State of Palestine is that all people can fully enjoy human rights, peace, prosperity, freedom and dignity in an independent and viable State of Palestine, living side by side with Israel in peace and security. United Nations agencies work to strengthen the capacity and resilience of people and institutions in government, civil society and the private sector, in pursuit of human security and sustainable human development for all people in the State of Palestine, within the framework of respect for the rule of law and human rights. The United Nations places special emphasis on furthering the State-building agenda and strengthening community resilience and steadfastness in the context of the ongoing occupation. The United Nations development programming includes capacity development, infrastructure and the provision of direct assistance and basic services. This work is focused on six strategic areas: (a) governance, human rights and rule of law; (b) education and culture; (c) livelihoods, food security and employment; (d) health care; (e) social protection; and (f) infrastructure, water and sanitation. The United Nations is engaged in over $2.9 billion of ongoing and planned development programmes in the State of Palestine, an estimated $1.2 billion of which was funded as at April 2012.

31. Illustrative examples of the types of assistance provided by the United Nations, are set out below.

Education

32. In 2012, UNRWA provided free education to 276,052 registered refugee students enrolled in 345 elementary and preparatory schools across the West Bank and Gaza, with an average occupancy of 34 and 39 students per class respectively. In Gaza, 91 per cent of schools currently operate on a double-shift system while in the West Bank, only 6 per cent are temporarily on the double-shift system to accommodate new school construction.

33. Nine United Nations agencies supported the Ministry of Education through the "Education for All" package for inclusive and child-friendly education and early childhood development. Pilot schools (32 schools in the West Bank and 14 schools in Gaza) benefited from school-feeding and capacity development programmes. For the first time, the Ministry of Education opened preschool classrooms in eight of the pilot schools in the West Bank. UNICEF also continued to support the construction of preschool classrooms in Gaza.

34. The International Labour Organization (ILO) and UNRWA continued collaboration on a Gaza initiative whereby 335 over-age students[5] (86 girls and 249 boys) were enrolled in six-month training courses tailored to job market demands and culturally accessible jobs for women. The agencies organized six-month apprenticeship placements in a field relevant to the students who completed vocational training.

35. Within its child-friendly school approach, UNICEF supported the capacity development of education supervisors on active learning strategies and techniques and the training of 1,600 educators in active learning methods.

36. The United Nations Development Programme (UNDP) Deprived Families Economic Empowerment Programme continued to implement the Al Fakhoura Scholarship Programme for Gazan students. UNDP also supported the construction of schools and worked towards assessing the education needs of the Palestinian population, drawing on poverty scoring and livelihood assessments under the Deprived Families Economic Empowerment Programme as well as community assessments carried out for the Community Resilience and Development Programme for Area C and East Jerusalem.

Health care

37. UNRWA continued to operate 42 health-care facilities, 21 health points and five mobile clinics in the West Bank, employing over 2,000 staff. Nearly 30,000 refugees in the West Bank received assistance for hospital-care costs. In Gaza, UNRWA operated 21 primary health-care centres, serving 1.2 million refugees. These also serve as one-stop centres to address gender-based violence, where clients access health care, psychosocial support and legal aid in one easily accessible location.

38. The World Health Organization (WHO), in collaboration with the Palestinian Ministry of Health, finalized the National Health Information System assessment and strategy. It also continued to support the establishment of a National Institute of Public Health to build core public health functions, including strengthening surveillance systems and registries, developing capacity in analysis of hospital health-care management, commissioning and conducting applied public health research, and increasing the effective use of data for setting health-care policies and priorities.

39. WHO also continued to support quality improvement in service delivery by conducting capacity development training for Ministry of Health staff. In Gaza, it continued to implement programmes to improve the quality and safety of childbirth care at the seven main public hospitals. WHO also continued to provide technical assistance to maintain the functioning of public health-care services and helped in coordinating the import of medical supplies to Gaza.

40. WHO continued its programme to support East Jerusalem hospitals, which serve as the main referral centres for tertiary care for Palestinians from the West Bank and Gaza. It also continued to support the hospitals' efforts to achieve Joint

[5] The term "over-age student" refers to students who are older than the typical age for their corresponding grade.

Commission International accreditation in 2013 and to institutionalize the East Jerusalem Hospitals Network.

41. The United Nations Population Fund (UNFPA) supported the rehabilitation, equipping and capacity development of maternity and primary health-care centres in an effort to improve the quality of obstetric-care provision and reproductive health-care services at the secondary and primary levels. In addition, UNFPA continued to support the institutionalization of a maternal mortality surveillance system. UNICEF supported improved health-care services through mobile clinics in 29 communities in the Jordan Valley and Area C.

42. UNICEF supported the capacity-building of 259 doctors and nurses in health-care centres and emergency wards in the area of community-based integrated management of childhood illnesses. It also trained 200 health-care workers in the introduction of new vaccines and the updated national expanded programme for immunizations, maintaining high immunization rates among the most vulnerable communities. UNICEF also supported the post-natal home visits programme, which reached around 3,000 at-risk mothers and newborns, and referred those in need for specialized care at health-care facilities.

Employment

43. UNDP started the second phase of the Deprived Families Economic Empowerment Programme, targeting 12,000 families living below the national poverty line. The first phase of the programme graduated 7,000 families from deep poverty and created 12,000 sustainable employment opportunities.

44. UNDP and ILO continued to support the Technical Advisory Unit at the Ministry of Labour in efforts to implement effective labour market policies.

45. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) continued a programme which provided income generation and self-employment opportunities in food processing and marketing for women in 41 women's centres. The programme directly benefited 536 women workers, and over 35,800 women benefited from the services provided at the centres. The activity also benefited more than 258 schools and over 100,000 schoolchildren who receive healthy and affordable snacks made by women from the community-based centres, contributing to improved health of the community.

Targeted social protection

46. UNRWA distributed 140,569 food parcels and $1.4 million in supplementary cash assistance to nearly 11,889 households through its special hardship cases programme in the West Bank. In Gaza, it distributed 426,161 food parcels to 21,626 households, along with $6.7 million in cash assistance through the social safety net programme.

47. ILO provided technical assistance to the newly established National Wage Committee, which helped to secure approval of a minimum wage by the Palestinian Authority. It also continued its support to the establishment of an integrated social security system in the State of Palestine by providing assistance to tripartite stakeholders in the development of a social security system for the private sector.

Culture

48. After yearly requests by the World Heritage Committee since 2010 for a technical mission of experts to examine the state of conservation of the Old City of Jerusalem and its walls, the Executive Board of the United Nations Educational, Scientific and Cultural Organization (UNESCO) reached an agreement on 23 April 2013 to send a mission of experts to Israel in mid-May 2013.

49. UNESCO continued to lead a multi-agency programme on culture and development funded through the UNDP-Spain Millennium Development Goals Achievement Fund in the areas of cultural heritage norms and legislation, inventorying intangible heritage, conservation and planning for potential world heritage sites.

50. UNESCO also continued to support the Ministry of Tourism and Antiquities to enable sound representation of Palestinian cultural and natural sites, particularly after the Church of the Nativity and the Pilgrimage Route in Bethlehem was the first Palestinian site to be inscribed on the World Heritage List in June 2012. It also continued to support the construction of the visitor's centre at the Tell Balata Archaeological Park in Nablus.

51. Through a partnership with the French Biblical and Archaeological School of Jerusalem and the Islamic University of Gaza, UNESCO is supporting construction efforts for the conservation of the archaeological site of Saint Hilarion Monastery/Tell Umm Amer, south of Gaza City.

Food security and agriculture

52. The Food and Agriculture Organization of the United Nations (FAO) supported roughly 1,000 women and 3,700 farmers and their associations to achieve improved economic conditions and food security through the provision of agricultural inputs, skills training and marketing support. FAO also assisted more than 3,800 male-headed households and 1,900 female-headed households in the West Bank and Gaza to safeguard their assets and expand their livelihoods. Its interventions also focused on empowering women as agents of development in their homes and communities.

53. UNDP, through its rural development programme, directly enhanced the productivity of at least 4,000 hectares of agricultural land and established services and infrastructure that encouraged farmers to cultivate and utilize an additional 7,000 hectares using private investments.

Human rights, women, children and youth

54. The United Nations continued to mainstream human rights into all of its work and to provide technical assistance to strengthen the capacity of the Palestinian Authority in human rights. The Office of the United Nations High Commissioner for Human Rights (OHCHR) worked closely with the Palestinian Authority on the ongoing process of preparing a national action plan on human rights, which will be an integral part of the forthcoming National Development Plan. OHCHR also worked with the Palestinian Authority to strengthen its administrative capacity, with a view towards becoming a State party to the core international human rights conventions, in particular the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. OHCHR continued its work with the Independent Commission for Human Rights and with

non-governmental organization partners though capacity-building activities focused on monitoring human rights violations and advocacy skills.

55. WHO continued to lead advocacy efforts on the right to health, focus on, inter alia, access of referral patients to specialized care in East Jerusalem hospitals and outside the State of Palestine. Fewer Gazan patients had their permits to exit denied or delayed in 2012: 7.5 per cent in 2012, down from 10.2 per cent in 2011 and 40 per cent in 2006.

56. In late 2012, United Nations agencies organized a 16-day awareness-raising campaign to educate young people on gender-based violence. There were approximately 3,339 participants in UNRWA's campaign activities. More broadly, the UNRWA family and child protection programme reached more than 10,000 refugees in a wide variety of community-awareness and prevention activities. UNDP enhanced the national responses and capacities to address gender-based violence through the development and delivery of a training curriculum and by developing the capacities of 229 judges, lawyers, law students and prosecutors to deal with gender-based violence cases. UNFPA supported the development of a manual on gender-based violence with the Ministry of Health and increased the capacity of national health-care providers in managing gender-based violence cases. In addition, UNFPA built the capacity of community-based organizations to document violations relating to Security Council resolution 1325 (2000) on women and peace and security.

57. UN-Women continued to support 49 women's centres across the West Bank and Gaza, including the building, rehabilitation and activation of 8 new community-based women's centres that offer a wide range of psychosocial, legal and social services. In Gaza, UN-Women. in collaboration with UNDP, supported the establishment and operation of the first comprehensive service centre for women victims of violence, the Hayat Centre, through which 125 women benefited from psychological, social and legal services.

58. Acting under the umbrella of the Ministry of Social Affairs, UN-Women continued to support the Mehwar Centre for the Protection and Empowerment of Women and Families, which hosted and protected a monthly average of 20 women and their children from violence and provided a range of social and legal services.

59. UN-Women worked with the Palestinian Bar Association to provide legal support and representation to women inmates in the Correction and Rehabilitation Centres and to women victims of violence and with the Correction and Rehabilitation Centre Department in developing and implementing rehabilitation activities for female inmates.

60. The young women leaders programme in Gaza implemented through the UNRWA Gender Initiative is aimed at closing a skills gap in the labour market by ensuring that women are developing skills demanded by the labour market through theoretical and practical training courses, work placement schemes and small- and medium-enterprise training. In 2012, 700 women received training under the programme.

61. UNICEF supported psychosocial emergency teams and family centres, which reached over 46,000 children (in addition to 20,112 parents and caregivers) to mitigate the effect of trauma and to alleviate psychosocial distress and strengthen resilience in the West Bank and Gaza.

62. With the support of UNICEF, UNDP and UNFPA, six non-governmental organization partners and the Higher Council of Palestinian Youth and Sport provided opportunities for over 31,200 adolescents to develop their capacities, skills and knowledge and provided psychosocial support through 56 safe spaces in the West Bank and Gaza.

Environment, housing and urban development

63. FAO, in cooperation with local communities and the Ministry of Agriculture, supported the rehabilitation and greening of roughly 2,000 dunums of rangeland in the southern West Bank in 2012.

64. UNDP provided support for adequate housing to nearly 80 low-income families through rehabilitation and renovation interventions in Jerusalem. In addition, UNDP provided support to improve the economic infrastructure by enhancing the physical situation of a number of shops and business facilities.

65. UNDP supported land protection and development in Area C, along with the Ministry of Agriculture, that served to establish infrastructure for cultivating land (roads, harvesting schemes, increased water storage capacities, reclaiming of unused land) and helped to protect thousands of hectares from confiscation and provide sustainable income to more than 8,000 rural families.

66. UNDP and FAO continued to improve access to and quality of water. FAO established more than 1,200 community and household-level rainwater harvesting cisterns to improve water availability and water rationing through resource management. UNDP continued to support the development of the wastewater sector and regenerate natural reserves in Gaza.

67. UNRWA in Gaza completed the first phase of the Saudi Arabia rehousing project, which included 752 new shelters for families who lost their homes owing to the conflict.

B. United Nations system emergency assistance

68. The 2013 Consolidated Appeal Process for the State of Palestine is seeking $401.6 million. This figure was increased from the $374.3 million requested in the initial published Consolidated Appeal Process document to take into account the additional needs in Gaza arising from the escalation of hostilities in Gaza and southern Israel in November 2012. Humanitarian assistance under the Consolidated Appeal Process focuses on tackling entrenched levels of food insecurity, serious protection and human rights issues and the limited access of vulnerable Palestinian communities to essential services, particularly in Gaza, East Jerusalem, Area C of the West Bank and the seam zone. The 2013 Consolidated Appeal Process represents a reduction in requirements compared with the 2012 Process, which requested a revised amount of $419.9 million. To date, the 2012 Consolidated Appeal Process has received 71 per cent ($297.6 million) of its requested funds. In addition, the UNRWA Emergency Appeal is requesting $300 million to meet the needs of some 2 million Palestine refugees in Gaza and the West Bank.

69. During and in the immediate aftermath of the November 2012 hostilities, the United Nations Mine Action Service undertook emergency risk assessments of all destroyed and damaged bridges, schools, family centres and key infrastructure

across Gaza and held risk-awareness campaigns concerning explosive remnants of war with partners. Between January and March 2013, the Mine Action Service supported demolitions of explosive remnants of war, destroying over 1,000 of them.

Emergency food support

70. UNRWA provided more than 21,865 individuals (3,163 households) with emergency food assistance in the West Bank. UNRWA and the World Food Programme (WFP) continued their joint assistance programme for refugee and non-refugee Bedouin herders in the West Bank, reaching at least 27,414 individuals (4,458 households) with four rounds of food rations during the reporting period.

71. In Gaza, UNRWA delivered an additional 526,382 emergency food aid parcels to nearly 140,000 refugee families, benefiting 748,040 abject or absolute poor individuals. UNRWA provided a total volume of 66,000 metric tons of staple food to the poorest refugees in 2012, including more than 48,000 metric tons of flour procured locally.

Emergency income generation

72. Across the West Bank and Gaza, the UNRWA job creation programme provided 29,991 refugees with job opportunities, creating 1.9 million job days of employment, injecting $26,875,625 into food-insecure/food-vulnerable households and reaching a total of 188,531 beneficiaries (hired workers and their families).

Emergency health support

73. WHO continued to monitor shortages of drugs and disposables, led efforts to fill gaps in supplies and assisted in coordinating the import of medical supplies donated to Gaza. It also provided spare parts and technical assistance to maintain, repair and improve existing equipment and procured medical supplies and equipment to meet essential needs in the public health system in Gaza. WHO and partners provided emergency supplies of critical drugs and disposables needed for treatment of the injured during the escalation in hostilities in Gaza in November 2012. In addition, UNICEF delivered 43 lifesaving paediatric drugs and consumables to cover the needs of Ministry of Health primary health-care facilities for three to six months. It also procured 30 types of essential drugs for a caseload of 15,000 sick children.

74. In the West Bank, UNRWA operated six mobile clinic teams, which served 55 of the most remote or vulnerable communities with essential primary health care. The teams provided an average of more than 12,000 patient consultations a month and covered a population of approximately 120,000 refugees as well as non-refugees. The clinics are closely coordinated with other mobile health-care providers, including the Ministry of Health and non-governmental organizations.

75. UNRWA provided community mental health-care support to 49 vulnerable Bedouin communities in the West Bank, covering a population of approximately 10,500 individuals. The teams provided individual and group counselling, family support, psychosocial activities for men, women and children, and facilitated training programmes for community leaders.

Emergency water and sanitation support

76. UNICEF supported water networks improvement, benefiting 300 families in underserved communities in the West Bank and resulting in decreased spending on water and increased access to water for 958 students.

77. In Gaza, in coordination with the Coastal Municipalities Water Utility, UNICEF supported the installation of four desalination units expected to provide access to desalinated water to 35,000 people.

78. In partnership with the Italian non-governmental organization Gruppo di Volontariato Civile (Civil Volunteers' Group) and the French non-governmental organization Action contre la faim, UNICEF's installation of water storage tanks and mobile latrines benefited 2,531 families (161 in Area C and 2,370 in the Access Restricted Area of Gaza). Over 1,100 people in access restricted areas have increased awareness on hygiene practices and cleaning household tanks. Around 390 male and female teachers in the access restricted areas benefited from training of trainers and were able to reach 5,000 students with lessons on good hygiene practices.

79. UNICEF supported the provision of emergency fuel to run generators, wells and pumping stations, benefiting at least 800,000 people in Gaza. In response to the Gaza crisis, UNICEF supported the repairs of 161 damaged generators and the rehabilitation of the water and wastewater networks in Gaza, benefiting at least 189,000 people, including 95,000 children.

80. UNRWA supported solid waste removal in 9 camps, provided public water infrastructure repairs and upgrades in 10 refugee camps and ensured water quality testing was undertaken in all 19 camps in the West Bank.

81. UNRWA supported water and sanitation service providers operating outside refugee camps to procure sufficient quantities of fuel and other supplies in Gaza. Such interventions were critical owing to persisting electricity outages. In 2012, 581,593 litres of fuel were distributed to municipalities, Solid Waste Management Councils and the Coastal Municipalities Water Utility to ensure the continuity of water and sanitation services and treat mosquito breeding sites.

Emergency agriculture support

82. FAO distributed more than 2,200 tons of animal fodder, drought-tolerant seeds and shrubs, seedlings and vaccines, benefiting roughly 2,200 herding families in 2012, in order to protect the livelihoods of Palestinian farmers.

83. FAO continued to monitor the vulnerability of small-scale farmers to economic, political, and climatic shocks and to support appropriate responses. It provided 20,000 vaccines to vaccinate all cattle in Gaza and 85 traps for plant disease to farmers. In addition, training was provided to 10 agronomists and 250 farmers in order to build their capacity in identifying and responding to animal and plant diseases.

Emergency education support

84. In response to the crisis in Gaza in November 2012, UNICEF continued to repair 94 damaged schools and provide learning materials. Mine risk education

materials were produced to raise the awareness of more than 273,000 children on unexploded ordnances through Government schools and community centres in Gaza.

85. UNICEF improved the learning environment for 53,000 children, including 20,929 girls, through the rehabilitation of 21 schools (7 in the West Bank and 14 in Gaza) and the provision of learning materials. Educational supplies were pre-positioned to respond to the needs of over 40,000 children. Over 3,000 children, including 1,434 girls, in the West Bank safely accessed school through UNICEF's support for the operation of school vehicles, including the provision of 12 new vehicles and protective accompaniment.

Emergency housing support

86. Between May 2012 and April 2013, UNRWA provided emergency assistance, including cash assistance, to 46 families (285 individuals) affected by house demolitions.

87. UNRWA provided assistance to refugees whose homes had been damaged or destroyed during the hostilities in November 2012. Over $1.7 million in cash assistance was provided to 2,735 families (16,685 direct beneficiaries) for self-help minor repairs. In addition, 171 families received transitional cash assistance (over $150,000) and will continue to receive this allowance designed to help families displaced from their homes. A total of 11 shelters were opened for a brief period of time.

C. United Nations system support to Palestinian institutions

88. The United Nations maintained support to the Palestinian Authority's efforts to improve the collection of revenue and accelerate customs clearance procedures. The United Nations Conference on Trade and Development (UNCTAD) renewed an ongoing collaboration with the Palestinian Customs Authority to modernize and strengthen its existing systems. UNCTAD initiated efforts to strengthen the economic modelling and forecasting capacity of the Palestinian Central Bureau of Statistics. The Palestinian Central Bureau of Statistics is now officially using UNCTAD's macroeconometric model for forecasting.

89. The United Nations Office for Project Services (UNOPS) also continued its programme of support to enhance the operational capacity of the Palestinian Civil Police through training programmes, the provision of equipment, information management systems development and infrastructure development.

90. UN-Women and UNDP supported the adoption of the 2011-2019 National Strategy to Combat Violence against Women. UN-Women provided technical assistance to the Ministry of the Interior and the Ministry of Justice to establish mechanisms and standards to expand access by women to justice and security sectors and protection services. UN-Women and UNDP worked with the Palestinian Civil Police and the Family Protection Units to develop their capacity in prevention and response to family violence and protection for victims.

91. ILO continued to support the Inspection Department of the Ministry of Labour through capacity-building programmes on occupational health and safety.

92. With ongoing support from UNICEF over the past few years, the amended Child Law was signed into force by President Abbas in December 2012; the amended law allows for additional protection to children and reinforces the legislative framework of front-line child protection professionals. A new law to protect children in conflict with the law and a child justice framework were also approved by the Cabinet. The "Policy of Nonviolence and Enhancing Discipline in Schools" was endorsed, with UNICEF support, overcoming significant challenges owing to the administrative divide between the West Bank and Gaza.

93. Support by the United Nations Mine Action Service to the Palestinian Authority included seeking modalities to begin the clearance of non-operational minefields in the West Bank. The Service contributed to the establishment of the Palestinian Mine Action Centre within the Ministry of the Interior, for which the Mine Action Service acts as technical advisor.

94. UN-Women, in collaboration with UNDP, assisted the Palestinian Ministry of Women's Affairs in conducting capacity development activities for the staff of the Ministry and of the Gender Unit of 12 Palestinian ministries in legal literacy on international and national legal mechanisms to protect women's rights in the State of Palestine.

95. UN-Women provided technical support for the protection of women against violence and the monitoring of human rights violations by enhancing the capacity of the Palestinian Ministry of Social Affairs in the adoption of international human rights standards. It also supported the establishment of an observatory on access to justice for women.

96. UN-Women provided technical support to various Palestinian ministries to ensure that gender was mainstreamed in budgets, development planning strategies and capacity-building activities to support monitoring, evaluation and reporting. UNDP also trained 314 local government staff in 15 districts on mainstreaming gender standards in district planning and budgeting.

D. Private sector development

97. UNRWA financed 14,500 loans valued at $21.03 million to Palestinian businesses and households in 2012. Women and young people received 35 per cent and 33 per cent of these loans respectively. The programme in the State of Palestine continued to run on an operationally self-sufficient and sustainable basis and earned a net income of $1 million from its microfinance operations.

E. Coordination of United Nations assistance

98. Under the auspices of the Deputy Special Coordinator for the Middle East Peace Process/United Nations Resident Coordinator and Humanitarian Coordinator for the Occupied Palestinian Territory, collaboration and coordination among the numerous donor and United Nations forums was strengthened during the reporting period. The humanitarian country team in Jerusalem and the Operational Coordination Group in Gaza met regularly to agree on humanitarian advocacy and response measures. With the support of the Coordination Unit within UNSCO, the United Nations country team continued to coordinate its programming within the United

Nations Medium-Term Response Plan and began the development of the United Nations Development Action Framework in alignment with the Palestinian development priorities. Efforts to forge constructive partnerships among the United Nations, the Palestinian Authority and the broader aid community were strengthened. The United Nations continued preparation of Ad Hoc Liaison Committee reports on a biannual basis, strategies for East Jerusalem and Area C and, together with other humanitarian actors, the development of a Consolidated Appeal Process for humanitarian action.

IV. Donor response to the crisis

Budgetary and fiscal support

99. In 2012, the Palestinian Authority struggled to meet its financial obligations, since expenditures were higher than expected, revenue was less than projected, and external financing fell short of the budget target. This led the Palestinian Authority to accumulate approximately $578 million in arrears to the private sector, the pension system and civil servant wages and to increase its stock of debt to domestic banks to $1.4 billion by the end of 2012. The external financing requirement for 2013 is estimated at $1.4 billion. Timely donor support to bridge this gap, combined with the transparent and unhindered flow of clearance revenues collected by Israel on behalf of the Palestinian Authority, will be essential to meeting financial obligations in the coming year.

Donor coordination

100. The local aid coordination structure continued to serve as a key forum for donors and the Palestinian Authority. The coordination of humanitarian assistance and advocacy continued to be led by the Office for the Coordination of Humanitarian Affairs of the Secretariat.

101. Two meetings of the Ad Hoc Liaison Committee were held during the reporting period, in New York on 23 September 2012 and in Brussels on 19 March 2013.

V. Unmet needs

102. The 2012 Consolidated Appeal Process requested a revised amount of $419.9 million to tackle the most urgent humanitarian needs, of which 71 per cent was funded. Despite the generous response from donors, funding was uneven across clusters with some funds arriving late in the year, thereby affecting the delivery of some of the most urgent programmes. The 2013 Consolidated Appeal Process is currently requesting $401.6 million, of which 30 per cent was funded as at 4 April 2013 (including $8.2 million received from the Central Emergency Response Fund). Except for the education sector, which has not received any funds to date, funding levels across clusters and sectors is fairly even. However, over half of the funds received are still waiting to be allocated to specific clusters and sectors.

103. Additional support is also urgently needed for the UNRWA core budget, which faces a shortfall of $67.2 million for 2013, as well as its 2012 Emergency Appeal for $300 million, which has a $220 million shortfall.

104. United Nations agencies are seeking $1.6 billion to support planned multi-annual development interventions, including the reconstruction of Gaza, in the context of the United Nations Medium-Term Response Plan. This funding would complement the $1.2 billion of ongoing United Nations recovery and development projects in Gaza and the West Bank.

VI. Challenges

105. During the reporting period, restrictions on movement and access, demolitions of Palestinian infrastructure and associated displacement of Palestinians in the West Bank, including East Jerusalem, have all increased. Furthermore, significant settlement activity continues to take place in the West Bank, including East Jerusalem, heightening tension on the ground. Economic growth will require a revitalization of the private sector and a further easing of restrictions on movement and access.

106. The United Nations received approval for an estimated $77.4 million worth of United Nations projects by the Israeli authorities during the reporting period, including 449 housing units, 14 schools and 23 infrastructure and community development projects. This brings the total approved since March 2012 to $400 million. During this same period, $33 million worth of projects were rejected by Israeli authorities owing to the proposed location of the projects.

107. Continued and predictable support to the Palestinian Authority's budget is necessary to finance the current deficit and ensure stability of the ongoing reform efforts.

VII. Conclusions

108. The challenging operational context for the work of the United Nations in the reporting period remained unchanged, while threats to the livelihoods of Palestinians, particularly demolitions in Area C and the continued restrictions and divisions of Gaza, continue to pose formidable obstacles to development in the State of Palestine. Despite modest improvements, persistently high unemployment and food insecurity in Gaza, the rise in demolitions, the continued closure and restrictions on the movement of people and goods all hinder sustainable progress. The United Nations will continue working towards the realization of a just, lasting and comprehensive peace in the Middle East on the basis of Security Council resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003), 1850 (2008) and 1860 (2009), an end to the occupation that began in 1967 and the establishment of a sovereign, democratic, viable and contiguous State of Palestine, existing side by side in peace with a secure Israel.

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Implementation of and follow-up to major United Nations conferences and summits: follow-up to the International Conference on Financing for Development

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 22 April 2013)

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) was held in New York on 22 April 2013. The overall theme of the meeting was "Coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda". The meeting featured the opening address by the Deputy Secretary-General of the United Nations, the keynote address by the Special Envoy and Representative on the Millennium Development Goals and Financial Development of the World Bank Group and statements on behalf of the Trade and Development Board of UNCTAD, the joint Development Committee of the World Bank and the International Monetary Fund (IMF), the International Monetary and Financial Committee of IMF, and WTO.

2. The meeting was organized around one high-level panel and two thematic debates. The high-level panel focused on the theme "World economic situation and prospects in the wake of the world financial and economic crisis". The thematic debates were organized around the following themes: "Financing for sustainable development, including through leveraging private capital, in the context of the

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follow-up to the outcome of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012" and "Global partnership for development in the context of the post-2015 development agenda". Each thematic debate included initial presentations by senior staff of the World Bank, UNCTAD, WTO and the Department of Economic and Social Affairs of the United Nations Secretariat, followed by an interactive discussion. The meeting had before it a note by the Secretary-General (E/2013/52), which provided background information and suggested possible questions for discussion under the three themes.

3. The speakers at the high-level panel included one Prime Minister, one First Vice Prime Minister, a Deputy Prime Minister, a Vice-President of the European Commission, five Ministers and two Central Bank Governors. A significant number of Executive and Alternate Directors of the Boards of the World Bank and IMF participated in the meeting. Also participating were high-level governmental officials in the areas of finance, foreign affairs and development cooperation, as well as senior staff of organizations of the United Nations system and other international organizations. Representatives of civil society and the business sector also participated actively in the high-level panel and the two thematic debates.[1]

4. The meeting was preceded by consultations within the Economic and Social Council and between its President and other members of its Bureau and the management of the Bretton Woods institutions, WTO and UNCTAD, and by the preparatory meeting of the members of the Bureau with members of the Executive Board of the World Bank and the Executive Board of IMF. In the course of those consultations and meetings, the agenda and the format of the special high-level meeting were discussed and agreed upon.

II. Opening of the special high-level meeting

5. The opening of the meeting featured statements by the President of the Economic and Social Council, Mr. Néstor Osorio (Colombia), and the Deputy Secretary-General of the United Nations, Mr. Jan Eliasson.

6. The President of the Economic and Social Council welcomed participants to the meeting and highlighted a few substantive points under each of the selected themes. First, in the wake of the world financial and economic crisis, the world economic situation and prospects had remained grim. The global slowdown had implied high levels of unemployment across the world, a slower pace of poverty reduction and a narrowing of fiscal space for investments in areas that were critical for achieving the Millennium Development Goals. In addition, downside risks included the possibility of the spiralling of geopolitical tensions and of a climate shock leading to a spiking in world food prices. He called for more forceful and concerted policy actions at both national and international levels to mitigate major systemic risks linked to a fragile global economy and ensure a stronger and sustained economic recovery. He also highlighted the need for an effective strategy of financing for sustainable development that should support inclusive economic growth that was environmentally, economically and socially sustainable. Such a strategy would require domestic resource mobilization, the fulfilment of all official development assistance (ODA) commitments, the use of innovative mechanisms of

[1] For the list of delegations, see document E/2013/INF/1.

financing, measures to leverage private finance through risk-sharing and other measures to better align private incentives with public goals. He stressed that it would also be necessary to promote financial stability in order to facilitate long-term investments in crucial sectors for sustainable development such as infrastructure. Moreover, he highlighted the need for a renewed global partnership for development within the post-2015 development agenda that should go beyond its present framework to embrace the changing development landscape and enable transformative change. He further emphasized that there was a need for a more accountable, inclusive and coherent system of global economic governance, which entailed effective arrangements for collective decision-making among diverse stakeholders at the international level. Such a system would also enhance the global partnership for development through ensuring the participation of all relevant actors in international policymaking and dialogue. Within the United Nations system, the Economic and Social Council, including through the special high-level meeting, had a critical role to play in increasing coherence, coordination and cooperation in that regard.

7. The Deputy Secretary-General addressed the meeting. He highlighted the ongoing effects of the global financial crisis, which continued to impede economic recovery worldwide, causing the ongoing jobs crisis, especially among youth, and deepening inequality problems. He stressed that Member States had agreed that poverty eradication was the greatest global challenge facing the world today, while the global slowdown had narrowed the space for necessary investments in education, health, sanitation and other drivers of development. He also called on the Economic and Social Council to play a crucial role in promoting dialogue among Member States on the post-2015 development agenda, including addressing the question of financing for sustainable development and promoting renewed commitment to the Monterrey Consensus and the Doha Declaration on Financing for Development. He emphasized the important objectives of the new intergovernmental committee of experts nominated by Member States to propose options on an effective financing strategy. He further emphasized the importance of the work of the Council in promoting South-South cooperation, as an additional form of partnership, exchange of experience and also financing mechanism. That and the coming year would represent very important opportunities for the strengthening of the enablers and intergovernmental arrangements for sustainable development. In addition to those pressing matters, particular attention should be given to the role and format of the High-level Political Forum launched in Rio de Janeiro in 2012. He encouraged participants to contribute to a future direction and vision, bold yet practical, for truly equitable and sustainable global development.

III. High-level Panel on theme 1: "World economic situation and prospects in the wake of the world financial and economic crisis"

8. The morning session featured a high-level panel on the first theme: "World economic situation and prospects in the wake of the world financial and economic crisis", followed by an interactive discussion. The Panel featured interventions by Commodore Josaia Voreqe Bainimarama, Prime Minister, Fiji; Mr. Djoomart Otorbaev, First Vice Prime Minister, Kyrgyzstan; Mr. Mauricio Cárdenas Santamaria, Minister of Finance and Public Credit, Colombia; Mr. Olli Rehn,

Vice-President of the European Commission and Commissioner for Economic and Monetary Affairs and the Euro, European Union; Mr. Abdul-Rahman Dirar, State Minister, Ministry of Finance and National Economy, Sudan; Ms. Jutta Urpilainen, Deputy Prime Minister and Minister of Finance, Finland; Mr. Claus J. Raidl, President of the Austrian National Bank; Mr. Yaseen Anwar, Governor of the State Bank of Pakistan; Ms. Gunilla Carlsson, Minister of Development Cooperation, Sweden; Mr. Seyed Shamseddin Hosseini, Minister of Economic Affairs and Finance, Islamic Republic of Iran; Mr. Luis Arce Catacora, Minister of Economy and Public Finance, Plurinational State of Bolivia; and Ambassador Mark Espat, Special Envoy of the Prime Minister, Belize.

9. Commodore Josaia Voreqe Bainimarama, Prime Minister of Fiji, speaking on behalf of the Group of 77 and China, stressed the importance of broad consultations, involving all stakeholders, including civil society and academia, while recognizing the leading role of the intergovernmental process in formulating global economic governance. He noted, in particular, that the international financial and monetary system needed substantive reforms to reflect the twenty-first century role of developing countries in the world economy. Those reforms should concern properly regulating financial systems and capital markets for achieving growth and sustainable development, using special drawing rights (SDRs) for the benefit of developing countries, further expanding those countries' voting rights in the Bretton Woods institutions, and obtaining more concessionary debt restructuring and technology transfer for them. Renewed international partnerships for development were the basis for such people-centred international cooperation, which had started with the adoption of the Monterrey Consensus. The Group of 77 and China particularly emphasized the continuing critical catalytic role of ODA in achieving sustainable development and the urgency of completing the Doha Round of multilateral trade negotiations. The upcoming WTO Ministerial Conference to be held in Bali, Indonesia, in December 2013 should aim at achieving concrete results that are equitable and take into full consideration the priorities of developing countries such as trade, aid, foreign direct investment (FDI) guarantees targeting productive sectors and supply-side capacity-building, especially in the least developed countries.

10. Mr. Djoomart Otorbaev, First Vice Prime Minister, Kyrgyzstan, criticized the unilateral expansionary policies pursued by developed countries that hurt the competitiveness of developing countries, and called for more coordinated international policymaking to make the world fairer and more equal. He was particularly critical of donor countries' failure to honour their commitments, citing that only 1 out of the 13 targets of the aid-effectiveness agenda was fulfilled, despite the substantial progress achieved by developing countries. He suggested that the Economic and Social Council consider convening another high-level forum on aid effectiveness. He also advocated countering the spillover effects of developed countries' unilateral policies by raising the role of the emerging market economies, especially of the BRICS countries (Brazil, the Russian Federation, India, China and South Africa), in multilateral development banks. Developing countries should get more voting power in the Bretton Woods institutions. Competition in the design of policy advice was highly welcome in today's more complicated world. He welcomed the historic adoption of the outcome document of the United Nations Conference on Sustainable Development "The future we want" (General Assembly resolution 66/288, annex), and briefed the meeting on his country's achievements in that area.

11. Mr. Mauricio Cárdenas Santamaria, Minister of Finance and Public Credit, Colombia, shared his country's experience of working to achieve the Millennium Development Goals and emphasized the importance of building on Millennium Development Goals successes in formulating the post-2015 development agenda. He stated that Colombia had met the Millennium Development Goals, with gross domestic product (GDP) growth the main driver behind meeting them. He noted that success in developing countries depended not just on good domestic policies but also on a benevolent external environment. In that connection, he expressed concern over the expansionary monetary policies pursued by reserve currency countries, which could generate difficulties in other countries. Colombia strongly supported the concept of sustainable development goals, including commitments on climate change. He said that his country was reducing subsidies on oil products and was devoting 20 per cent of the tax on oil producers to environmental protection. He said that the new development agenda should be guided by the priorities of sustainable development, including the objective of closing the per capita income gap between developed and emerging market developing countries. In addition, emerging market and middle-income countries' representation at the Bretton Woods institutions should be upgraded. He also stressed the overwhelming importance of raising productivity in developing countries as the main factor of growth convergence and developmental catch-up, and called for increased attention to the related investment and infrastructure needs, as well as measurable indicators to monitor progress.

12. Mr. Olli Rehn, Vice-President of the European Commission and Commissioner for Economic and Monetary Affairs and the Euro, European Union (EU), welcomed the emerging convergence of views on sustainable development goals to succeed the Millennium Development Goals and expressed the Union's strong support for the post-2015 development agenda. He assured that EU, as the largest donor accounting for over 50 per cent of global ODA, would continue to work hard for the implementation of the agenda of the Group of 20 in partnership with developing countries, including the endorsement of a larger role of developing countries in global governance, increased quota and representation at IMF. The Union was committed to effective multilateralism and recognized the centrality of the United Nations role in global economic governance, as stated in the Treaty of Lisbon. He called for more effective and closer cooperation between the United Nations and the Group of 20 in favour of developing countries and for achieving tangible progress at the Doha trade negotiations to help with faster world economic recovery. He also briefed the representatives on the current EU actions aimed at tackling the crisis in Europe, emphasizing the importance of improving the competitiveness of affected countries for getting out of the current stagnation. He stressed, inter alia, that fiscal solvency was essential for sustainable growth, but it was equally important to progress at an appropriate pace within a medium-term framework and in the context of other structural reforms. He said that fiscal deficits in the region had been halved to 3 per cent from 6 per cent in 2011 thanks to the fiscal consolidation efforts by member countries. According to him, that fiscal consolidation, in combination with actions of the European Central Bank, had restored financial market stability, while the recent reforms further strengthened confidence and improved EU governance.

13. Mr. Abdul-Rahman Dirar, State Minister, Ministry of Finance and National Economy, the Sudan, drew attention to the Financing for Development process and the outcome document of the 2012 International Conference on Financing for Development, especially concerning the needs of least developed countries, as

forming the basis of the post-2015 development cooperation framework. He also stressed the need for drawing adequate lessons from the experience of the world economic crisis, which laid bare the shortcomings of global governance. He expressed particular concern about the post-conflict countries' debt impeding their development efforts, and spoke of his country's urgent need for international support, following the successful reconciliation with the newly created South Sudan. He also appealed for intensive fast-track efforts to achieve the Millennium Development Goals in the remaining period ahead of the 2015 deadline, and stated that the Sudan was against the policies of economic sanctions and austerity.

14. Ms. Jutta Urpilainen, Deputy Prime Minister and Minister of Finance, Finland, pointed out that sustainable development implied intergenerational fairness. She noted, in that connection, that tackling youth unemployment, which reached over 50 per cent in some countries following the crises, was as important as tackling environmental degradation. To prevent the advent of a lost generation, Europe was introducing a programme of guaranteed employment or training after four months of unemployment, and such policies should be emulated elsewhere to help the 600 million unemployed youths worldwide. She also criticized that fossil fuel subsidies, often defended on the basis of social objectives, mostly benefited the well-to-do, and called for their cancellation. She also advocated closer international cooperation to fight the still widespread tax evasion that sapped resources from development-oriented uses.

15. Mr. Claus J. Raidl, President of the Austrian National Bank, drew attention to what he called an often-heard misunderstanding that the euro was the reason for the sovereign debt and banking crises in Europe. In his view, the introduction of the euro was an unqualified success, allowing all member countries to benefit from low inflation and capital inflows that boosted growth and development. The euro's reserve currency status was undisputed and its share in countries' reserves was still increasing. Many parts of Europe, with the notable exception of Central and Eastern Europe, were growing as fast as Asia and the United States of America. The balance-of-payments imbalances in Europe had stabilized; now the challenge was to restore competitiveness in deficit countries. He also addressed the involvement of Austrian banks in Central and Eastern Europe and said that the involvement of Austrian banks there was beneficial, though there were some problems, which banks needed to hold reserves against.

16. Mr. Yaseen Anwar, Governor of the State Bank of Pakistan, stated that global economic stability was a common good, requiring shared responsibility for its preservation. However, developing countries lacked shock absorbers and were threatened with budgetary crisis, reserves drawdown and debt distress unless the international community could come up with an adequate response to assist them. Pakistan faced additional economic and political difficulties stemming from the war on terrorism and the presence of over 4 million Afghan refugees on its territory. He said that the new post-2015 development agenda should continue to focus on poverty eradication and also on supporting home-grown economic plans and mobilization of domestic resources to promote self-reliance in developing countries. He also criticized the stalled dialogue in WTO and the soft-pedalling on institutional reforms in the global economic system, and called for differential treatment for small island States and the least developed countries. Of particular importance was delivering modern energy services to people in poor countries. In that connection,

the launching of the Sustainable Energy for All Initiative by the Secretary-General of the United Nations was very welcome.

17. Ms. Gunilla Carlsson, Minister of Development Cooperation, Sweden, stated that eradicating poverty was no longer just a dream, and this year's annual meeting of the Bretton Woods institutions was a reflection of that optimism. The way forward now was through achieving people's empowerment and accountable governments, especially relying on mobilization of domestic tax revenues and remittances, with ODA playing a catalytic role. The multilateral system needed to improve its efficiency to come up with effective solutions for tackling global challenges out of reach of national governments. In that context, it was important for the United Nations system to embrace results-oriented modern management culture and improve its cooperation with the Bretton Woods institutions. Coordination at the country level through cooperation between resident coordinators in areas such as capacity-building for democratic governance, gender equality and improving statistics offered the biggest potential for arriving at such development solutions.

18. Mr. Seyed Shamseddin Hosseini, Minister of Economic Affairs and Finance, Islamic Republic of Iran, highlighted that development financing had been the most critical challenge for developing countries before and after the crisis. Therefore, non-inflationary financing for reducing poverty, inequality and environmental degradation was critical for achieving sustainable development. In particular, 80 per cent of infrastructure investment in developing countries was funded by public resources, and such investment needs were projected to reach $1,000 billion per year by 2020. Despite the progress achieved, poverty and environmental degradation were prevalent, especially in Africa and South Asia. Given the limited availability of public resources, innovative models such as public-private partnerships needed to be explored. He also highlighted that Iran's human development indicator rose from 0.654 in 2000 to 0.742 in 2012, while the Gini coefficient dropped from 0.368 to 0.343 in urban areas, and from 0.398 to 0.362 in rural areas. He criticized the sanctions imposed by Western Governments on Iran with far-reaching adverse consequences for its people and trading partners. In particular, he lamented the World Bank's refusal to lend to Iran despite the presence of a good investment environment and many bankable projects in the country. Moreover, that refusal was in violation of the Articles of Agreement of the World Bank, which required equal treatment for all members. As a chairman of the Movement of Non-Aligned Countries, Iran supported strengthening the Economic and Social Council as the main consultation framework to promote international economic cooperation.

19. Mr. Luis Arce Catacora, Minister of Economy and Public Finance, Plurinational State of Bolivia, was of the view that no effective and permanent solution had been found against the United States- and EU-induced financial, energy, food and climate crises that fed on each other. A bold response to tackling the consequences of those crises required rejecting the capitalist orthodoxy and should involve fiscal stimulus for global growth, a tax on financial transactions and other high profit sectors and debt restructuring. Likewise, duty- and quota-free market access for least developed countries and other developing countries, dependent on commodity exports, was critical since those countries were especially vulnerable to external shocks. He emphasized that inequality was increasing, even in the United States, as evidenced by a drop in real wages. Those trends would add to global pessimism. The speaker further emphasized the need for proper government interventions in the economy to

improve the current low investment environment and help to boost investor confidence.

20. Ambassador Mark Espat, Special Envoy of the Prime Minister, Belize, called for ensuring equitable representation of all States in international economic governance. He emphasized that the Group of 20 should pay attention to the General Assembly as the universal, inclusive and truly legitimate forum for global policy processes. He addressed the difficulties of middle-income countries, which were particularly vulnerable to the volatility of the current economic and financial environment. Those countries, such as the small island States, required better liquidity access from multilateral development banks. In that context, he called for indexing those countries' debt repayment to their exports and terms of trade changes. He also said that unscrupulous lenders should share the burden of unsustainable debt.

21. During the interactive discussion, some representatives noted the increased role of emerging market economies as providers of capital flows. That paradigm shift should be reflected in the governing structure of the Bretton Woods institutions and other relevant economic financial forums. Some representatives asked what specific measures those institutions were considering with regard to climate change and how they were going to coordinate their actions with the United Nations.

22. One speaker expressed his opinion that the Chinese economy was likely to slow, with a definite negative impact on commodity-exporting developing countries. He also thought that the effectiveness of the Japanese monetary expansion would be offset by adverse demographic trends and the United States shale gas boost would be partly neutralized by fiscal constraints. Most importantly, EU austerity policies were wrongheaded and could lead to an Argentine-type crisis. Under those circumstances, international financial institutions and large corporations should plan for worst-case scenarios and crisis management.

23. It was further stated that the hoped-for reforms in financial regulation had not materialized, and the financial system needed to be shrunk by separating investment and commercial banking, to avoid moral hazard associated with being too big to fail. Additional measures needed included using SDRs for climate change financing, setting up resolution funds for loss absorption, revisiting the proposal for sovereign debt restructuring mechanisms, and conducting derivatives transactions only through exchanges, with product screening for consumer protection.

24. It was highlighted that debt servicing was becoming a big drag on the economies of finance-deprived developing countries. In that context, one speaker proposed that the Economic and Social Council sponsor a conference of creditors to least developed countries. He also called for more capacity-building measures in the post-2015 development agenda for those countries.

25. Some speakers noted that the Monterrey Consensus was more relevant today than ever, as the risks that had inspired it were more prevalent now, while both the official and private sector were unprepared. In that connection, it was proposed to create a global risk mitigation solutions centre with a network of national risk centres, somewhat similar to the underutilized World Bank facility. One speaker also expressed his view that the Monterrey Consensus emphasized the priority of the mobilization of domestic resources, not ODA or external debt for economic growth

and development, and that rule of law, business-friendly investment environment and secure property rights were more important than international factors.

26. It was stressed that the coming two years were critical in terms of preparing the post-2015 agenda and ensuring adequate financing for the implementation of the Secretary-General's action plan for sustainable development.

IV. Keynote address

27. The morning session also featured a keynote address from Mr. Mahmoud Mohieldin, Special Envoy and Representative on the Millennium Development Goals and Financial Development, World Bank Group, on "Introduction to the post-2015 development agenda from the World Bank perspective, with a special focus on financing for development". The speaker emphasized that the original Millennium Development Goals were articulated independently of a financing framework, which came later in the shape of the Monterrey Consensus. Therefore, in a context of fiscal consolidation, the discussion of post-2015 goals must be integrated with the consideration of supporting financing. The speaker highlighted that costing the Millennium Development Goals required too many assumptions and should not be a major objective of the exercise of formulating a post-2015 development agenda.

28. Good policies and credible institutions would enhance the impact of available resources and leverage additional resources from both domestic and foreign sources. He recommended that developing countries design targeted evidence-based policies and support sound institutions, generate more revenues, ensure efficient public spending and promote financial deepening and inclusion. At the same time, the international community should support those actions by maximizing the impact of ODA, supporting new development partners, leveraging the private sector, tapping into new sources of finance, and delivering global public goods. The speaker highlighted that no quantity of financing, whether grant, concessional or non-concessional, could achieve the development goals without supporting policies and a credible commitment to combating poverty. Finally, he underscored that financial instruments had different properties and comparative advantages. Selecting the right combination of instruments to meet a given goal, in a given country context, might be one of the most important tasks ahead to enable the full implementation of the next development framework post-2015.

V. Statements by intergovernmental representatives of institutional stakeholders

29. The morning session concluded with statements by Mr. Mukhtar Tileuberdi (Kazakhstan), President, Trade and Development Board, UNCTAD; Mr. Jorge Familiar Calderón, Vice-President and Corporate Secretary, World Bank Group, and Acting Executive Secretary of the IMF/World Bank Development Committee; Ms. Patricia Alonso-Gamo, Deputy Secretary of IMF and Acting Secretary of the International Monetary and Financial Committee (IMFC); and Mr. Shishir Priyadarshi, Director, Development Division, WTO.

30. The President of the Trade and Development Board of UNCTAD emphasized the importance of trade as an engine of development and highlighted the need for

expeditious and successful realization of the development objectives of the Doha Round of multilateral trade negotiations. He highlighted the need for a development-centred and inclusive system of international trade, as emphasized in the outcome of the Thirteenth Ministerial Meeting of UNCTAD, held in Doha, Qatar, in April 2012. He also pointed to the importance of ensuring the coherence and consistency of the international economic architecture. The crisis had highlighted the need to put in place transparent systems for timely resolutions of debt crises to minimize welfare losses and spillover effects to other countries. He further emphasized the need to build productive capacities, including through technological learning and innovation. A much more concerted effort was needed to mobilize investment into productive innovation across large parts of the developing world.

31. The Vice-President and Corporate Secretary of the World Bank reported on the outcome of the meeting of the Development Committee. The Development Committee endorsed a framework for guiding the planning and implementation of the World Bank Group's activities. Five principles would guide strategy of the World Bank in the future: serve poor and vulnerable people in a sustainable manner everywhere; recognize the diversity of clients; work as one World Bank Group; focus on development solutions; and exercise dynamic selectivity. Moreover, the Development Committee highlighted the historic opportunity to end extreme poverty within a generation and endorsed the global target of reducing the extreme poverty rate — the percentage of people living on less than $1.25 a day — to 3 per cent by 2030. Achieving that goal would require strong growth across the developing world, as well as translation of growth into poverty reduction to an extent not seen before in many low-income countries. It would also require overcoming institutional and governance challenges, and investing in infrastructure and in agricultural productivity. Moreover, the Committee equally endorsed the goal to promote shared prosperity, which would entail fostering income growth of the bottom 40 per cent of the population in every country. The speaker stressed that sustained economic growth needed a reduction in inequality. In that context, the importance of the relationship between the World Bank and the United Nations was also emphasized.

32. The Deputy Secretary of IMF and Acting Secretary of the International Monetary and Financial Committee (IMFC) reported on the outcome of the meeting of IMFC. The discussions focused on the latest global economic developments, key risks for the global economy, and policy actions required to mitigate them, as well as the role of IMF in supporting its membership in addressing those challenges. The overall assessment of the global economy was that an uneven recovery was emerging but growth and job creation remained week. Global growth in 2013 was not expected to be higher than in 2012. Going forward, the Committee called for a collective action to restore the global economic resilience by decisively addressing medium-term structural challenges, including: the need for financial sector reform; the need for durable fiscal adjustment and institutional reform to deal with the future trajectory of public and private debt; the need to stimulate job creation and inclusive growth; and worries over currency valuations and competitive depreciation in view of exceptionally accommodative monetary policy in key advanced economies.

33. The Director of the Development Division of WTO reported on the present state of the Doha Round of multilateral trade negotiations and prospects for the

forthcoming Ministerial Conference in Bali, Indonesia. Even though the agreement on the Doha Round was not close, especially in view of decreasing growth in international trade, there had been progress in terms of the scope and depth of the deal, which were much broader and deeper than in previous rounds. For Bali, there were prospects to have agreement on several issues, including trade facilitation, agriculture and specific issues for the least developed countries. Given the important contribution that trade-led economic growth had provided to increasing domestic revenue generation, it was essential that any post-2015 development agenda must necessarily include economic growth as an essential pillar of its means of implementation.

VI. Thematic debate of the whole on theme 2: "Financing for sustainable development, including through leveraging private capital, in the context of the follow-up to the outcome of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012"

34. The first thematic debate featured presentations by Ms. Shamshad Akhtar, Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs of the Secretariat; Mr. James Zhan, Director, Division on Investment and Enterprise, UNCTAD; and Mr. Chris Lane, Division Chief, Low Income Countries Division, Strategy, Policy and Review Department, IMF, followed by an interactive discussion.

35. Ms. Akhtar emphasized that a financing for development strategy was an urgent priority as the international community moved forward to formulate a post-2015 sustainable development agenda. The outcome document of the United Nations Conference on Sustainable Development recognized the need for significant mobilization of resources to promote sustainable development. Governments were now in the process of establishing an intergovernmental committee to focus on an effective sustainable development financing strategy. That strategy would have to move its emphasis from external to national domestic resource mobilization and should place more emphasis on directing private flows for development purposes. A prerequisite for that would be to ensure the financial system was stable with an enabling policy environment to effectively and efficiently allocate resources. Financing gaps were especially large in areas that the private sector had not found attractive on a risk-reward basis, including four categories: (a) long-term investments, such as infrastructure; (b) riskier investments, including low-carbon investments, innovation, and financing of small and medium-sized enterprises as well as other forms of inclusive finance; (c) financing of international cooperation, including maintenance of the global commons; and (d) additional financing for human development. Despite the ever-increasing need for long-term financing, especially for infrastructure, the long time frame necessary for many types of investments was outside the investment parameters of many investors, even for those considered to be long-term investors.

36. The diagnostic long-term financing report for the Group of 20, a collaborative effort of the World Bank, IMF, the Bank for International Settlements (BIS), the

Organization for Economic Cooperation and Development (OECD), the United Nations and other agencies, pointed out that the availability of long-term financing had declined since the financial crisis. While the issue of a long investment horizon arose with traditional infrastructure investment, it was particularly relevant for low-carbon infrastructure projects. The speaker highlighted that both private and public finance, as well as public sector policies and international cooperation, would be necessary to finance those large and growing needs. A fundamental challenge would be to ensure complementarities across different sources of finance, as each type of financing had unique investment objectives, fiduciary responsibilities, and associated incentives. Public-private partnerships had become increasingly looked to as a mechanism to leverage official resources with private finance through risk-sharing. Moreover, domestic financing would also be key. Strengthening local financial systems and encouraging a more effective allocation of resources was important. However, domestic capital and financial markets needed to be monitored and regulated to minimize risks to the real economy, including those associated with short-term volatile capital cross-border flows. In addition, financial inclusion and access to financial services by poor and vulnerable population groups had been found to be beneficial for economic and social development. Moreover, although not sufficient, official financing would remain crucial, both directly as well as to leverage private resources. Donor countries should aim at fulfilling their ODA targets and be actively engaged with the United Nations in developing financing strategies for sustainable development. National, regional and multilateral development banks could also play a catalytic role in mobilizing long-term investment financing, as well as countercyclical policies that could help to reduce volatility associated with financial markets.

37. Mr. Zhan made a presentation on "Leveraging private investment for sustainable development: challenges and policy actions". The speaker emphasized that, currently, foreign direct investment (FDI) did not serve as the locomotive of the world economy. Indeed, FDI had declined by 18 per cent in 2012 and its recovery would take longer than expected. Yet, in 2012, developing countries had surpassed developed countries in FDI inflows by some $130 billion. The speaker further highlighted that transnational corporations played a significant role in the global economy, moreover, they were sitting on a record amount of cash reserves. The challenge was therefore to mobilize FDI for inclusive, responsible and green growth. In that context, the current global investment regime was not functioning effectively. More coherence and consistency was needed. Most importantly, the transfer of technologies should be further encouraged.

38. Looking ahead, the speaker laid out four policy challenges: (a) mainstreaming sustainable development into the investment policy regime; (b) promoting investment in inclusive growth; (c) promoting responsible investment; and (d) channelling investment into green growth and infrastructure development. Mainstreaming sustainable development in national and international investment regimes should follow an "Investment Policy Framework for Sustainable Development", as laid out by UNCTAD, that would be anchored in core principles, guidelines for national investment policies, options for international investment agreements and investment policy hubs and reviews. Promoting investment in the poor, for the poor and with the poor was the goal of the Joint UNCTAD/International Chamber of Commerce Initiative on Pro-Poor Investment. The Initiative promoted viable and sustainable investment in poverty alleviation, the production of accessible and affordable goods

and services, and the fostering of business linkages with small and medium-sized enterprises and microenterprises. The speaker also referred to the Entrepreneurship Policy Framework. The Framework identified policy objectives and options in the form of recommended actions, proposed checklists, case studies and good practices, provided an interactive online inventory of good practices, offered a user guide and methods for policy monitoring and evaluation and provided a set of indicators to measure progress. The panellist further elaborated on the work of UNCTAD in promoting responsible investment for sustainable development. He mentioned the potential for new tools to channel investment into green growth and infrastructure development, which might include engaging sovereign wealth funds, impact investment or including a sustainable development goal for investment.

39. Mr. Lane shared the work of IMF on "Financial Assistance and Policy Support to Low-Income Countries". His presentation emphasized the importance of self-sustained financing, improving facilities and sharpening policy advice. The purpose of IMF concessional financing was to address balance-of-payments problems arising from external shocks, e.g., commodity prices, capital outflows, and domestic shocks and vulnerabilities, which included macroeconomic imbalances, natural disasters, States in fragile situations and small and very small States. The speaker highlighted that the Average Annual Lending Commitments for the Poverty Reduction and Growth Trust (PRGT) rose from 0.9 billion SDRs for the period 1988-2000 to 1.6 billion SDRs for 2009-2012. Debt relief had led to a declining debt burden, which in turn had created space for higher poverty-reducing spending. Total external debt (in percentage of GDP) had gone down and was projected to remain relatively stable over the next few years, while debt service decreased and poverty-reducing expenditures (in percentage of GDP) had risen steadily, except for a small dip during the world financial and economic crisis. Citing IMF research, the speaker projected that for 2013-2035, the demand for IMF concessional financing could follow a low demand scenario of 1.1 billion SDRs or increase slightly from the current demand of 1.6 billion to 1.7 billion in a high-demand scenario.

40. The speaker underscored that there was an ongoing need for PRGT financing for countries with balance-of-payments needs. PRGT financing would require a mixed resources base with contributors providing loan resources and a self-sustained trust fund with subsidy resources. Achieving a self-sustained PRGT would be anchored in a "three-pillar strategy". The first pillar would provide the baseline envelope with SDR 1.25 billion (average) lending per year; the second pillar would provide contingent measures which were available following years of exceptional need; and the third pillar would follow the principle of self-sustainability, which would include future modifications to low-income countries' facilities. Looking ahead, the speaker mentioned that the baseline lending capacity for PRGT was projected to be 1.25 billion SDRs with windfall gold profits; however, without windfall gold profits, it would only reach 0.9 billion SDRs. The speaker focused on measures that could help to improve IMF facilities. He highlighted that the new facilities were generally found to be working well and, consequently, only refinements were necessary. Those refinements included providing subsidies to the poorest and most vulnerable low-income countries and greater lending flexibility. Finally, it was crucial to sharpen policy support. The strategic priority was to achieve higher sustainable growth. That would call for scaling-up investment, managing natural resources, creating broad-based inclusive growth and recognizing fragile and small States' needs.

41. During the interactive discussion, participants underscored that there was a need for an integrated approach to financing for sustainable development. It was emphasized that financing for sustainable development should build on the Monterrey Consensus and the Doha Declaration on Financing for Development as major reference points for development cooperation. The work of the intergovernmental committee on financing a sustainable development strategy would provide an important contribution to formulate a coherent mechanism.

42. In that context, it was emphasized that the commitments on financing for development, especially those on ODA, should be met. Least developed countries, in particular, suffer from recent declines in ODA. Public resources would have to come from a variety of international, regional and national sources. However, given the size of the financing needs for sustainable development, it was clear that official sources of financing would not be sufficient.

43. Many speakers stressed that the bulk of funds would likely have to come from the private sector. In that context it was emphasized that the challenge would lie in redirecting global assets towards sustainable development. Resources were not being effectively allocated by the private sector for long-term investment in sustainable development owing to a number of institutional, financial, regulatory, and technical barriers.

44. There was some discussion as to whether debates on financing of sustainable development should include global commons. Some delegations were of the view that that was a sovereign issue and should not distract from commitments related to financing for development, while others emphasized the need to address all climate change through international cooperation.

45. Several speakers in both that and the earlier sessions voiced their support for more debate on an international debt restructuring mechanism.

46. It was also emphasized that the implementation of financing strategies needed to leave policy space for nationally owned development strategies for accountable and transparent policies.

47. There was a convergence of views that complementarities across different sources of finance should be strengthened, as each type of financing had unique investment objectives, fiduciary responsibilities and associated incentives. Those differences needed to be better understood in order to design policies that could effectively leverage private financing and align private sector incentives with public goals.

VII. Thematic debate of the whole on theme 3: "Global partnership for development in the context of the post-2015 development agenda"

48. The second thematic debate featured presentations by Mr. Jos Verbeek, Lead Economist, World Bank; Mr. Richard Kozul-Wright, Officer-in-Charge, Division on Globalization and Development Strategies, UNCTAD; and Mr. Shishir Priyadarshi, Director, Development Division, WTO, followed by an interactive discussion.

49. Mr. Verbeek presented the *Global Monitoring Report 2013: Rural-Urban Dynamics and the Millennium Development Goals* (The World Bank Group, 2013).

He illustrated that countries with higher levels of urbanization had been more successful in lowering poverty. For example, in Brazil, 84 per cent of the population was urban, while 15 per cent was rural and the poverty rate was 6 per cent in 2009. In Uganda, during the same year, the reverse held true — 84 per cent of the population was rural, and 15 per cent was urban, while the poverty rate was a higher 38 per cent. In general, according to the speaker, absolute poverty rates were lower in urban centres than in rural areas. In 2010, 76 per cent of the world's poor lived in rural areas and, according to 2008 figures, 11.6 per cent of the total urban population was poor in comparison with 29.4 per cent of the total rural population. Mr. Verbeek pointed out that disparities were also large between rural and urban areas for other Millennium Development Goals. For example, with respect to sanitation, 80 per cent of urban residents versus 50 per cent of rural residents had access to a toilet in 2010.

50. Overall, according to the panellist, poverty was located along a spectrum from rural to urban, with many types of settlements from small to large towns. That was a more realistic representation than the simplified division into rural and urban areas. In general, according to the speaker, the smaller the town the higher the incidence of poverty and the less stellar the access to Millennium Development Goal-related services. While urbanization could help to pull people out of poverty and advance progress towards the Millennium Development Goals, it needed to be managed well since it could also lead to problems such as the burgeoning growth of slums. Mr. Verbeek advocated an integrated strategy to better manage the planning-connecting-financing nexus of urbanization. He also referred to a rural-urban dynamic whereby a combination of well-managed urbanization and rural development could serve to reduce poverty and accelerate progress towards the Millennium Development Goals.

51. Mr. Kozul-Wright stated that, while the Millennium Development Goals did an outstanding job in reinvigorating the donor community and galvanizing aid flows, success in meeting the goals could not be attained by aid flows alone. He pointed out that growth must be a central component of any meaningful development agenda. However, it was important to ensure that growth was inclusive and sustainable. Looking ahead, he pointed out that while the Millennium Development Goals were devised and evolved in an environment driven by finance-led globalization, the post-2015 development agenda was being framed in a very different global environment and needed to break away from the "business as usual" policies that had led to the increasingly fragile growth path of the past decade. He also argued that the existing Millennium Development Goal framework did not provide an understanding of the systemic risks and dangers that could constrain, damage or derail development prospects in the coming years. The speaker stressed the need to take a hard look at some of the basic concepts that frame our thinking about the challenges ahead. He expressed concern at the fact that industrial development had not figured in Millennium Development Goal discussions. Similarly, he mentioned that sustainability must have an economic dimension and that distributional issues were also key to sustaining virtuous economic cycles. There was also a need to talk seriously about employment policies, industrial policies and fiscal policies as part of an integrated framework.

52. Mr. Kozul-Wright also stated that the international community needed to discuss Goal 8 and how to better integrate it with an inclusive and sustainable development agenda. According to him, a fundamental rethink on global

partnerships for development was warranted. He pointed to the need for a global new deal that would benefit developed as well as developing countries. The key was to tame the financial system so that it turned into the servant rather than the master of the real economy and got back to the business of providing security for savings and mobilizing resources for productive investment. Regional cooperation would also have a much larger role to play in a more balanced international architecture. The panellist also underscored that new partnerships had emerged around the idea of South-South cooperation. However, they would face challenges over the next decade as developing countries faced their own development challenges as well as the need to mobilize huge amounts of resources for infrastructure. In that context, Mr. Kozul-Wright pointed out that the recently announced BRICS Bank was a huge step forward in South-South cooperation but should not be seen as a substitute for more effective multilateral mechanisms.

53. Mr. Priyadarshi made the case that economic growth had been a major factor in human development and that engaging in trade in a diversified basket of products was central to maintaining both growth and employment over the long run. He emphasized the importance of economic growth in the post-2015 agenda, both substantively, given its interrelationship with social objectives, and politically, given aspirations for income growth. He cited research by the Michael Spence Commission on Growth and Development, which had found that, since 1950, virtually all cases of rapid large-scale human development had been marked by a high average rate of economic growth. The Spence Commission also found that all countries transformed by sustained high growth had used the open world economy to drive their development. Moreover, Mr. Priyadarshi stated, the latest *Human Development Report* (2013) also showed a positive correlation between an open global trade regime and achieving higher human development.

54. According to Mr. Priyadarshi, the post-2015 development agenda must include economic growth as a central pillar of its strategy while at the same time ensuring that economic growth and development were made sustained and sustainable. It needed to reflect the fact that virtually all cases of large-scale human development had been marked by a high average rate of economic growth, and that the open global economy, entrenched in the multilateral trading system, had played a multifaceted role as a driver of growth in all of them. A new development framework must therefore help other countries to emulate that success, and growth, trade, diversification and value added must figure prominently within the post-2015 development agenda. In terms of practical measures, Mr. Priyadarshi emphasized the need to enhance both the demand and supply-side environments to allow countries to grow quicker by tapping into the global economy. He mentioned that the WTO Ministerial Conference in Bali in December 2013 would present an opportunity to harvest deals on trade-related issues that would facilitate trade. In addition, the Fourth Global Review of Aid for Trade would provide an opportunity to review progress on Aid for Trade and give a fresh mandate and vigour to the initiative. Overall, the speaker stressed the importance of there being a strong focus on economic aspects of development in the contours of the post-2015 development and poverty alleviation agenda.

55. In the discussion that followed, a participant argued that growth on its own was not sufficient in all cases for improving the well-being of poor people. The growth experienced in many countries had proven to be unsustainable and needed to be accompanied by socially inclusive policies, improved access to finance and other

measures to reduce inequality. In Brazil, for instance, the sharing of prosperity and socioeconomic inclusion were equally important in addressing poverty. In that context, the point was also made that measures geared towards increasing people's ownership of the process of development would also lead to greater awareness of environmental sustainability.

56. Some delegations emphasized the importance of ensuring the active participation of all relevant stakeholders, including non-State stakeholders such as civil society and the private sector, in the global partnership for development.

57. Participants stressed the need to broaden and strengthen the voice and participation of developing countries in multilateral frameworks and norm-setting, which was deemed a priority on the global policy agenda. Mention was also made of the need to strengthen the voice and participation of African countries in the Bretton Woods institutions.

58. The important role of aid on leveraging other forms of finance was underscored. In particular, reference was made to improve the quantity and quality of ODA in a manner that served to mobilize private finance. In that regard, mention was also made of the need to rethink public-private partnerships, including those relating to infrastructure projects. Speakers also asserted the need to support both South-South and North-South cooperation, and that South-South cooperation should not preclude North-South cooperation.

59. There was discussion pertaining to the Millennium Development Goals. A participant stated that Goal 8 (Develop a global partnership for development) missed out important issues such as economic growth and global governance. It was also argued that Goal 3 (Promote gender equality and empower women) needed to be prioritized alongside the other goals. Mention was also made of the need to accelerate progress towards the Millennium Development Goals, especially in rural and lagging areas and conflict-affected States.

60. The importance of having a credible accountability and monitoring mechanism within the framework of the post-2015 development agenda was also emphasized. It was highlighted that the Economic and Social Council should be seen as a mechanism for reviewing progress pertaining to the post-2015 development agenda. Mention was also made regarding the need for greater transparency of financial flows.